HOME RULE FINANCE

ARTHUR WARREN SAMUELS, K.C.

With the Compliments
of
Arthur W Samuels

HOME RULE FINANCE

HOME RULE FINANCE

An Examination of the Financial bearings of the Government of Ireland Bill, 1912

BY

ARTHUR WARREN SAMUELS, K.C.

With a Foreword by

THE RIGHT HON. SIR EDWARD CARSON, M.P.

DUBLIN: HODGES, FIGGIS & CO., LTD.
LONDON: SIMPKIN, MARSHALL, HAMILTON, KENT & CO., LTD.

1912.

NOTE.

This book is limited to a consideration of some of the Financial aspects of the Home Rule Bill of 1912. It does not deal, except incidentally, with the great constitutional, political, strategical, social, and religious questions involved.

FOREWORD.

The careful analysis of the Finance of the Home Rule Bill contained in this Book is a valuable exposure of the effects of that iniquitous measure on the Financial Relations between Great Britain and Ireland.

The admitted reticence of the Government at the General Election on any details of Home Rule and the stifling of debate in the House of Commons at the present time are part of a carefully laid plan to prevent the people of the United Kingdom from having any intelligent conception of its real effect. Speaking at East Fife on December 8th, 1910, during the General Election, Mr. Asquith said:—"We cannot and we ought not to attempt to give any details of the provisions of the Home Rule Bill at this stage," and now, when the opportunity has arisen for full discussion, the Home Rule Bill, with its far-reaching consequences for good or ill, is being rushed through under the operation of the automatic closure.

There will be thus no adequate time for examining the complicated financial proposals of the Bill. Financial interests of immeasurable importance to Great Britain, Ireland and the Empire are involved in the Bill, yet the electors or their representatives have no opportunity to consider them.

The constitutional right of the taxpayers of Ireland to be taxed on no higher scale than the inhabitants of Great Britain is confiscated, while the constitutional right of taxpayers of the United Kingdom to control the services for which they will still have to pay is swept away under cover of the cynical and fallacious suggestion of "cutting the loss."

Divided executives and divided services, involving great expenditure and infinite complications, are to be created

at the expense of the British and Irish taxpayer, and any vestige of control left to the Imperial Parliament will be lost in the chaos created by divided responsibility.

The Imperial credit and the stability of the National finances are to be interlocked with a fiscal system dominated by the Parliament and Executive of the United Irish League and the Ancient Order of Hibernians.

A contribution of some millions is to be exacted from Great Britain as an inducement to her to give up all control over Irish finance and Irish legislation, while even with such subvention all educational, social and material development in Ireland will be arrested, and the recent era of prosperity brought to an abrupt and bitter termination.

Everyone now admits, no matter to what party he belongs, that the Finance of Mr. Gladstone's Home Rule Bills must have ended in National Bankruptcy for Ireland, and anyone who will impartially examine the present Home Rule Bill will come to the conclusion that the proposed system of dual taxation, combined with the absence of Imperial credit, can only end in the bankruptcy of Ireland. Her financial ruin will be inevitable, and it will be left to England and Scotland to pay the bill.

This book, written by a high authority, appears at an opportune moment. It lights up the daedalian intricacies of the finance of this great national imposture. How great are the dangers involved those who read it can understand. I commend it to the people. I ask writers in the Press to study it and use it. I hope that politicians may learn from it; and I ask all to read it so that they may understand how fully justified are those of my fellow-countrymen who join with me in the determination never to submit to the tyranny of Home Rule.

EDWARD CARSON.

ADDENDA, Page 176.

See the important letter from Sir J. C. Lamb as to the position of the Post Office in the German Empire commenting on the statements of Mr. Herbert Samuel, M.P., the Postmaster-General, in the debate on the Committee Stage of Clause 2.—*Times*, 22nd October, 1912.

HOME RULE FINANCE

"In bidding farewell to this imbecile caricature of a Constitution for Ireland, I ask you to carry away with you this brief summary—

MORALLY, *it is the great betrayal;*
LOGICALLY, *it is the great fallacy;*
RELIGIOUSLY, *it is the great sectarianism;*
FINANCIALLY, *it is the great swindle;*
SOCIALLY, *it is the great break up; and*
IMPERIALLY, *it is the great break down."*

—Primate Alexander, at the Albert Hall, 22nd April, 1893.

CHAPTER I.

The Contrast between the Financial Position Under the Union and Under Home Rule.

THE financial effects of the Home Rule Bill cannot be apprehended without understanding clearly the rights and liabilities of the inhabitants of England, Scotland, and Ireland under the existing Constitution.

Under the Act of Union and the Supplementary Act amalgamating the Exchequers and creating the con-

solidated fund,[1] the kingdoms of Great Britain and Ireland are united under one Parliament with one Executive, and that Executive controls all administration, including all fiscal matters, in every part of the United Kingdom. There is no constitutional distinction between Imperial English, Scotch, or Irish affairs. They are all Imperial affairs, and the Imperial Parliament is sovereign over all. In the same way, there is no constitutional distinction between English, Scotch, or Irish Revenue. There is but one Revenue, consisting of the contributions of the taxpayers in every part of the United Kingdom paid into the common Exchequer and forming there one Consolidated Fund, and constituting one common or Imperial Revenue.

The Home Rule Bill proposes to break up this Constitution and create a New Constitution for the United Kingdom. It proposes to set up a subordinate statutory Parliament in Dublin to deal with certain Affairs in Ireland defined in the Bill as "Irish Services," and to reserve certain other affairs in Ireland to be dealt with by the Parliament in Westminster. It proposes to create an Irish Executive responsible to the Irish Parliament to deal with the transferred "Irish" Services; and to retain the other Irish Services for the control of the Imperial Executive. It proposes to create an Irish Exchequer and an Irish Consolidated Fund separate from those of the United Kingdom, but to control the assessment and collection of all taxes imposed both by the Parliament at Westminster and by the Parliament in Dublin by the Imperial—that is to say, the British Executive—and to pay all these Irish taxes into the Exchequer in London, termed in the Bill "The Exchequer of the United Kingdom." The Bill

[1] 56 Geo. III., c. 98 (1817).

religiously retains the term "United Kingdom" as the denomination of Great Britain and Ireland under the Home Rule Constitution, although the United Kingdom Constitution is destroyed by the Home Rule Bill. This method of confusing terms and treating names as realities is employed frequently in the Bill and in the fallacies used in support of it.

At the close of the eighteenth century the exigencies of Imperial Defence and the fiscal conditions of interdependence made the Union between Great Britain and Ireland inevitable. The same exigencies and same conditions exist at the present day. When the Irish Parliament was subordinate to the British Parliament before 1782 the position became intolerable, and the solution was attempted by creating an independent Irish Parliament. Within three years it became clear that great dangers were added to the great difficulties, and the solution was the Union. The danger was put an end to by the Union, and Commerce was rendered free between the two islands. After 112 years of Union these problems of Defence and Commerce, under conditions varying only in their far greater proportions from those of the eighteenth century, are again to be opened. It is proposed once more to create a Parliament in Ireland subordinate to a Parliament in England. Further, Ireland is promised what she never had before, an independent Executive. It is pretended that this Parliament and this Executive is to govern Ireland in all Irish affairs. It will be asked—"Is not Irish trade an Irish affair?" Yet the Parliament in England is to control the commerce of Ireland under Home Rule, and Irish commercial legislation must follow absolutely the legislation of the British Parliament for British trade. It will be asked—"Is not Irish

Revenue an Irish affair?" Yet the British Executive, not the Irish Executive, is to control the Revenues of Ireland. If history teaches anything, the history of Ireland teaches the impossibility of ensuring the submission of an Irish Parliament to such a scheme and the rapid transition of any subordinate Irish legislature to absolute independence.

The seventh article of the Act of Union provided that Ireland should contribute to the Imperial Expenditure in the proportion of 2 to 15; in other words, that out of every £100 Ireland should contribute about £12 and Great Britain about £88. It is also declared that these contributions should be made "to the expenditure of the United Kingdom." These proportions were, under the Act, subject to revision until the Exchequers should be amalgamated, when contribution by fixed proportions was to cease, and what was called "indiscriminate taxation" was to take place. Provision was made for Parliament then declaring that the expenditure of the United Kingdom should "be defrayed *indiscriminately* by *equal taxes* imposed on the same articles in both countries subject only to such particular exemptions or abatements in Ireland and in Scotland as circumstances may appear from time to time to demand," and that "from the period of such declaration it shall no longer be necessary to regulate the contribution of the two countries towards the *future expenditure* of the United Kingdom according to any specific proportion." The Act of Union clearly treats all expenditure of the United Kingdom, no matter where spent, as "Imperial" or "Common" expenditure. Taxation was to be equal and equitable, and expenditure was to be indiscriminate according to the wants of each of the three kingdoms.

Home Rule Confiscates the Rights of Irish Taxpayers.

Under the Act of Union no tax can be levied in Ireland which is not levied in England, though taxes may be levied, and a few are levied, in England from which Ireland is exempt. The Seventh Article of the Act of Union provides—

> "That in regulating the taxes in each country no article in Ireland shall be made liable to any new or additional duty by which the whole amount of duty payable thereon would exceed the amount which will be thereafter payable in England on the like article."

Under the Home Rule Bill proposals the people of Ireland will have to surrender this Constitutional privilege. They will be doubly taxed. The Westminster Parliament is to continue to levy in full from Irish taxpayers all the British Taxation, while the Dublin Parliament is to be given an added power of domestic taxation of the Irish people. The taxation of the inhabitants of Ireland will be, therefore, uncontrolled and inevitably greatly increased, and will be heavier than the taxation of people in England or Scotland.

Under the Union Taxes are to be equal and Expenditure Common.

The National Debts of Ireland and Great Britain were consolidated in the year 1817. The three kingdoms then became finally bound together in complete fiscal union. It is important to consider what has been from 1817 onwards, and now is, the constitutional position of the people of England, Scotland, and Ireland in matters of revenue and expenditure.

The Act of 1817 provided that after the 5th January, 1817, all the revenues which before that date formed part of the Consolidated Fund of Great Britain and of Ireland respectively should form One General Fund to be called The Consolidated Fund of Great Britain and Ireland. That whether any part of it was in the Exchequer of Great Britain or of Ireland it should, in the first place, be chargeable and be applied *indiscriminately* (*a*) to the payment of the whole of the interest of the National Debts of Great Britain and Ireland and their Sinking Funds as one Consolidated National Debt and Sinking Fund; (*b*) in the next place, it should *in like manner* be applied in paying the salaries and charges on the Civil list in Great Britain and Ireland; (*c*) in the next place, it should in like manner be applied in payment of any charges on either of the Consolidated Funds of Great Britain or Ireland by any Act of Parliament in force before 5th January, 1817; and (*d*) after payment of all these charges *the said Consolidated Fund of the United Kingdom shall be in like manner indiscriminately applied* to the service of the United Kingdom of Great Britain and Ireland or any part thereof as shall be directed by Parliament.

The constitutional fiscal position of the Three Kingdoms created by the Act of Union, reasserted by resolutions of the House of Commons in 1816 preliminary to the amalgamation of the Exchequers, and re-enacted in terms by the Act of 1817, is that there should be a common system of indiscriminate taxation, but that if this system of taxation shall press with undue severity upon Scotland or Ireland from any cause they should be entitled to special consideration—" to such particular exemptions and abatements as circumstances may appear from time to time to demand." The

taxation was to be equal in burden and equitable, while the expenditure of the Imperial Revenue, on the other hand, was to be "common" and not discriminated.

The theory of the Imperial finance of the three kingdoms since the Exchequers were amalgamated is simple. The taxpayers in each country are to contribute by "equal taxes" to the common Exchequer. "Equal taxes" were to be those which would press upon each country fairly having regard to the relative ability of the inhabitants to bear taxation. From the common Exchequer fed by these equal taxes were to be paid out, without consideration of anything but necessity and without differentiation on the ground of the locality of the expenditure or the relative contribution to the common chest of the people of England, Scotland, or Ireland, such moneys as were required for the public services, Civil, Naval, or Military. All expenditure is "Common" or "Imperial" whether it is applied in discharging interest on the National Debt, equipping a Military Expedition, building a Dreadnought, paying a Minister of the Crown, or a Civil Servant in England, Scotland, or Ireland, contributing to Education in any portion of the three kingdoms, keeping up the Royal Irish Constabulary, superannuating a retired Ambassador, or paying an Old Age Pension in Kent, Caithness or Connemara. In one portion of the United Kingdom heavier demands are from time to time made upon the common chest than in another portion. In some respects proportionately more of the common expenditure is made in England, as in the cash outlay in the dockyards, arsenals, and on Parliamentary, Foreign, Colonial, Home Office, and other public services. In some respects there is proportionately more outlay in Ireland, as in the case of the Land Commission and Old Age

Pensions: but it is all "common" expenditure, all "Imperial" expenditure, all paid under the command and authority of the United Parliament, and all constitutionally "indiscriminate." To anyone who reads the Union debates or studies the Union Statutes it is perfectly clear that the framers of the Act of Union never contemplated that expenditure of Revenue in any one of the three kingdoms was to be measured by the proportion of the contribution of the taxpayers in such kingdom to the common exchequer, or that any such expenditure should be considered as a "set off" to any disproportionate burden which the taxes imposed by Parliament might from time to time cast upon either Scotland or Ireland as contrasted with England, or that because legislation should be passed which provided pensions for the aged poor, and the poorer portion of the United Kingdom should thus make a heavier proportionate demand on the common chest to meet such pensions, the taxpayers in the wealthier kingdoms should be appealed to in the name of statesmanship to "cut the loss" and dissolve the partnership. Mr. Gladstone, as Chancellor of the Exchequer, on 24th February, 1865, when taxpayers in Ireland were, through the effect of his Budgets, more heavily taxed than they had ever been before, and were contributing to the common chest upwards of £4,000,000 in excess of any expenditure within Ireland, replied thus to the complaint of Irish members on this account:—

> "What is public expenditure? What is a tax? It is money taken by the Government out of the pockets of the people. What right has the Government to take that money? Simply the necessity that exists to satisfy public wants, and if they proceed to satisfy the public wants, are they not bound to do so in the best, most efficient, and at the same

time most economic manner in their power? If these principles are true and elementary they cut at the root of the whole idea of geographical expenditure and of the argument that any particular province or country or parish possesses the right to have expended within its limits a share of the general expenditure of the country corresponding to its taxation."

The Financial Relations Returns.

It was not until the year 1888 that the segregation of Revenue and Expenditure into "Imperial" or "Common" "English," "Scotch," and "Irish" was made which now annually appears in the Financial Relations Returns of the Revenue and Expenditure of the Three Kingdoms and which has given occasion for many misunderstandings in Home Rule discussions. It was then adopted for the purpose of creating an empirical basis upon which grants in aid of local taxation should be made from the Exchequer to each of the Three Kingdoms.

The Treasury for the purpose of these returns divided public expenditure into four classes as made on (*a*) "Imperial" or "Common" services, (*b*) English services, (*c*) Scotch services, and (*d*) Irish services, and having treated the three latter as local services and charged the expenditure on them against the amount calculated to be the "true revenue" contributed to the Common Exchequer by each of the Three Kingdoms, they estimate the balance left in each instance as the contribution of each to the "Imperial" or "Common" services. This fourfold division is absolutely arbitrary. It has no sanction from any Act of Parliament. To use it except for purposes of book-

keeping, classification, or statistical information, and to employ it for the purposes of disintegrating the Imperial Revenue and partioning it, as if under the Union there was a separate English, Scotch, Irish, and Imperial Revenue or Expenditure, is to employ a segregation which is directly opposed to the Constitutional theory of Finance under the Act of Union and the Act for Consolidating the Exchequers. But this unconstitutional, fallacious, and most disputable tetrachotomy forms the framework upon which the Finance of the present Home Rule Bill is constructed. The details of the division were never discussed in Parliament or disclosed when the proportions in which grants in aid of Local Government in the proportions of 80 per cent. to England, 11 per cent. to Scotland, and 9 per cent. to Ireland were fixed, and an examination of the items in the "Imperial" column shows that, apart from the Crown Civil List and the Naval and Military expenditure and National Debt services, nearly the whole of the so-called "Imperial" expenditure is Civil Service outlay actually taking place in England, but which, by being classified as "Imperial," is charged against Scotland and Ireland, while almost all the expenditure made in Ireland or Scotland, or in England for Scotch or Irish purposes, is charged as "Irish" or "Scotch." This segregation of inter-insular finance is unconstitutional and unsound, but it is the deceptive basis for the Ministerial argument that England should "cut her loss" and Ireland be cut adrift because the Radical Government has passed the Non-contributory Old Age Pensions Act, and the Insurance Act, and has become aware that the Old Age Pensions in Ireland cost over £2,600,000, and that Insurance will cost about £600,000 a year, and that the

expenses of Ireland accordingly now exceed the Revenue contributed in Ireland.[1]

Ireland Does Not Pay Her Way—A Fallacy Under the Union.

The phrase "Ireland does not pay her way" is a fallacy: under the Union neither England, Scotland, or Ireland pays its way. The taxpayers of the United Kingdom pay sufficient taxes to finance the expenditure of the single State—the United Kingdom. Under the Union Ireland has not to "pay her way," nor has England or Scotland. All taxpayers, wherever they live, in the United Kingdom have to contribute equally to the common revenue; and Irish taxpayers pay their way just as British taxpayers pay their way. It is a fallacy to say that "Ireland does not contribute now to Defence, Civil List, or National Debt." "Ireland" has not to contribute to any service. It is Irish taxpayers who have to contribute, and who do contribute, and pay exactly the same amount to Defence, Civil List, and National Debt as similar Scotch or English taxpayers. It makes no matter whether a subject of the United Kingdom changes his abode from Ireland to England or England to Ireland, he loses or gains nothing as a taxpayer; he does not "suffer" a whit more if he stays in Ireland because his poor neighbours in Ireland are drawing old age pensions than if he changed his abode and went to England. *Cœlum non fiscum mutant qui trans mare currunt.* The fallacy consists in identifying the abstract political expression "Ireland" with the individual taxpaying inhabitants of Ireland under the Act of Union.

[1] See *Journal of the Social and Statistical Society of Ireland*, 1897 and 1906—"The Expenditure Account"; "Some Features of Recent Irish Finance"; and *Quarterly Review*, 1912—Home Rule Finance, p. 281.

Ireland Could Not Pay Her Way Under Home Rule.

But if the Fiscal Union between Great Britain and Ireland is dissevered, as it is to be by the Home Rule Bill, then the result of constructing a polity founded upon this fallacy will become a painful reality for the people in Ireland and for Great Britain. Then "Ireland" will be a separated State bound to produce a separate Revenue. "Ireland" will have separate and additional financial obligations and liabilities which must be discharged by Irish taxpayers, and the inhabitants of this separated State—Ireland—will have to bear these obligations apart from the inhabitants of Great Britain. The expression "Ireland does not pay her way" will then have a serious practical meaning and very dangerous and disastrous conditions will arise.

The People of Ireland will be Taxed, Super-Taxed, and Super-Super-Taxed, Under Home Rule.

The amount of taxes now contributed to the common chest of the United Kingdom by the taxpayers in Ireland would not be sufficient to enable Ireland to "pay her way" as a separate State: the existing "true" revenue of Ireland as a "nation" could not meet the existing expenditure of "Ireland a nation." Accordingly, her Nationalist statesmen have arranged the fiscal constitution of Home Rule on the basis that the inhabitants of Ireland are to pay not only all future British taxes, but also all taxes that the Irish Parliament can supertax them with. On the other hand, the British Home Rule statesmen, seeing that Ireland as "a nation" could not, under existing circumstances, supply the necessary revenue to keep up the

Irish services, and *a fortiori* could not contribute anything to the "Imperial Services" such as Defence, Civil List, or National Debt, have bargained with the Nationalist statesmen that Ireland "a nation" is to get once for all a fixed allowance from the Imperial Treasury into which all Irish taxes are to be paid, and that this allowance is to be the amount at present expended on "The Transferred Irish Services," and with a "surplus" of half a million dropping gradually to £200,000 (about £6,000,000 in all), but no more; and that "Great Britain a nation" will thus be able to "cut her loss" on "Ireland a nation" at the present figure. But this is not all. Notwithstanding the fact that the inhabitants of Ireland will be paying, under Home Rule, into the British Treasury exactly the same taxes as Englishmen and Scotchmen, yet as "Ireland" will not, as "Ireland a nation," be making any contribution "at the initial stage" for Defence, Civil List, and National Debt, these British and Irish statesmen have further confederated and agreed that, as soon as the combined mass of British taxes and Irish taxes heaped up on the inhabitants of "Ireland a nation" by future British Budgets and Irish Budgets, exceeds for three years the cost of the Irish services "reserved" for British control and the stereotyped Irish allowance of six millions, then these inhabitants of Ireland will be compelled to pay a third set of taxes sufficient to produce such an amount as the Parliament at Westminster may consider to be "a proper contribution from Irish revenues towards the common expenditure of the United Kingdom."

A Trilogy of Taxes.

This is a terrible penalty for the inhabitants of Ireland

to pay as the price of a fallacy. They will have to raise three revenues and to pay three sets of taxes under Home Rule. They will have to pay—

1st—All the taxes, in equal measure, imposed by the Parliament of the United Kingdom on Englishmen and Scotchmen; for although under the Act of Union the taxes which are imposed on Irish people, equally with English or Scotch people, are "the proper contribution towards the common expenditure of the United Kingdom" by these Irish taxpayers, yet under the Home Rule Bill these equal taxes will no longer be so regarded. It is "Ireland a nation" and "Irish revenues" that are then to be regarded and not Irish taxpayers.

2nd—The Irish taxpayers will also have to pay Irish super-taxes for improved Irish education and social betterment, material development, afforestation, drainage, railway nationalisation, payment of Irish members of the Irish Parliament and other expenses of maintaining a separate Irish legislature. These things must be provided for, and they can only be financed out of new Irish taxes.

3rd—Finally, when the British and Irish combined taxes raise such an amount of revenue from Ireland as will amount to about £12,000,000 per annum for three consecutive years, then the inhabitants of "Ireland a nation" will have to pay super-super-taxes; for under Home Rule it is only these super-super-taxes that will be deemed "a proper contribution from Irish revenues to the common expenditure of the United Kingdom."[1]

It may possibly occur to the inhabitants of "Ireland a Nation once again" that it would be better to leave Ireland and become inhabitants of

---

[1] Clause 26.

England and Scotland where they would only pay one set of taxes and get the credit of making "a proper contribution to the common expenditure of the United Kingdom," than to stay any longer in Ireland where, though they paid the same taxes as Englishmen, they would be looked down upon by these Englishmen as paupers shirking their responsibilities to the Empire, and where they will be supertaxed by a ravenous Irish Parliament distracted in the hunt to find assets to turn into revenue, and where their ultimate destiny will be to stagger under a third load of taxes upon taxes upon taxes.

CHAPTER II.

The Report of the Committee on Irish Finance.

THE Government of Ireland Bill which, if it passes into Law, is to be cited as the Irish Government Act, 1912,[1] was preceded by the appointment by the Cabinet, of an expert Committee on Irish Finance presided over by Sir Henry W. Primrose, which on the 17th October, 1911, made a report for the information of His Majesty's Government. With their Report were presented the Minutes of Evidence and various Appendices.[2] The evidence and the appendices have been suppressed from the British and Irish public. Repeated endeavours have been made in Parliament to obtain their publication, but Mr. Asquith has refused to permit it. The Report itself was circulated immediately after the introduction of the Home Rule Bill. It is evident from the references in the Report, from the character of the Report itself, and from the fact that the evidence is kept back, that a full disclosure would, in the opinion of the Government, seriously damage the financial scheme which has been embodied in the Home Rule Bill. The list of witnesses examined by the Committee shows that they were men who from their official position were entitled to speak with high authority on the subject of the enquiry. They were nearly all officials presiding over the great Revenue and Administrative Departments in England and Ireland.

[1] Clause 48.
[2] See the *Report of the Committee on Irish Finance*—Cd. 6153 of 1912.

It has been stated that certain witnesses had an objection to their evidence being published. If so, this portion could have been eliminated from publication. It is notorious, however, that many of the witnesses whose evidence must be of extreme value have no objection to their evidence being made public. The Committee reports:—

> "It will be seen that the majority have been official witnesses who could explain and amplify the evidence contained in official documents. Outside this class we have confined ourselves to examining two or three gentlemen who in a representative character might be able to speak on behalf of those interested in the Local Government or in the Trade and Commerce of Ireland, together with a member of the Council of the Secretary of State for India, who was kind enough to come and explain the system of Provincial Finance in India."[1]

Why the evidence of official witnesses explaining official documents is to be wrapped up in secrecy is a mystery. The result of the suppression of the evidence and documents is that neither the British or Irish people on the eve of this revolutionary change in their Constitution and financial system are permitted to know the facts, documents, and official commentaries, which would enable them to judge with more confidence upon the financial proposals for the Government of Ireland Bill—a Bill which the Ministry declares is a preliminary to similar measures for England, Scotland, and Wales. The nation under the new democracy must therefore proceed blindfolded to its destinies.

The duty assigned to the Committee was:—

1. *To ascertain and consider the Financial Relations between Ireland and the other component*

---

[1] Cd. 6153 of 1912, p. 2.

parts of the United Kingdom as they exist to-day, paying especial regard to the changes that have taken place both in Revenue and Expenditure since 1896, the date of the Report of the Royal Commission on the Financial Relations between Great Britain and Ireland.

2. *To distinguish as far as possible between Irish Local Expenditure and Imperial Expenditure in Ireland.*

3. *To consider, in the event of Irish Local Affairs being entrusted to an Irish Assembly with a responsible Executive, how the revenue required to meet the necessary expenditure should be provided.*

It is important to study the Report of the Cabinet Committee and contrast its findings with the Financial proposals for Home Rule as embodied in the Bill itself and in the Outline of the Financial Provisions contained in the White Paper issued with the Bill.[1]

Irish Exemptions.

Dealing with the Revenue and Expenditure of Ireland the Committee points out that Land Tax, Inhabited House Duty, Railway Passenger Duty, and Patent Medicine Duties are not leviable in Ireland. But with these exceptions, the Imperial Revenue in Ireland is raised by means of the same taxes and levied at substantially the same rates as those of Great Britain. When considering the proposals of the Home Rule Bill it is essential to keep before one's mind the Constitutional position of Ireland under the Act of Union. Ireland and Scotland are entitled, if their circumstances so require, to certain exemptions and abatements in

[1] Cd. 6154 of 1912.

taxation as compared with England. The exemption from House Duty, Railway Passenger Duty, and Land Tax is a recognition of this Constitutional right in the case of Ireland. It is a further Constitutional right of Ireland under the Act of Union that no individual can be made to pay a higher rate of taxes in Ireland than the rate imposed in England. It will appear hereafter that this Constitutional right of Ireland is to be confiscated under Home Rule.[1]

The Financial Fallacy at the Base of the Bill.

The Committee finds that the amount of the "True" Revenue of Ireland, according to the then most recent Treasury White Paper No. 220 of 1911, was in the year 1910–11 £11,665,500, but allowing for adjustments necessitated by the Budget disturbances, they place the

"True" Revenue of Ireland at	£10,300,000
The Expenditure was	£11,344,000

Thus in the year 1910–11 the Expenditure in Ireland exceeded the "True" Revenue by over £1,000,000.[2]

[1] It has been urged by Ministers in debate, and by the advocates of Home Rule, that the Irish Parliament will be able to find some sources of revenue (which are otherwise very difficult to discover), by introducing into Ireland, for the first time, Railway Passenger Duty, Establishment Licenses, and Inhabited House Duty, and Patent Medicine Duties, Bicycle Taxes, &c.—*cf. The New Irish Constitution, p. 145.*

[2] The latest return of Revenue and Expenditure, H. C. 1912, 190, shows an Irish deficit of £845,500.

The "true" revenue of each country, if it could be accurately ascertained, would be the revenue which is actually contributed by tax-payers and consumers of dutiable goods in England, Scotland, and Ireland respectively. It is the revenue properly attributable to each country after the duties levied on commodities have been credited to the country where they are consumed, income tax attributed to the country where the person on whom it falls resides or carries on business, stamp duties to the place where the transaction takes place, and death duties to the place of domicile of the deceased. In the case of articles upon which custom or excise duties are levied, the duty is paid, as a rule, at the Custom House where they are imported or in Bond, though the articles may be consumed in another portion of the United Kingdom. Under the Union it does not make any matter what the 'true" revenue of any of the three Kingdoms may be as contrasted with the "collected" revenue. All revenue, wherever collected goes into the common

They add that

> "The Expenditure includes certain growing services, notably Land Purchase and Old Age Pensions, while there are not at present visible any declining services that might lead to counter-balancing economies. Therefore it is certain that, apart from any new charges, that fresh legislation may impose the excess of Irish Expenditure over Irish Revenue will, with a continuance of the existing conditions of partnership with Great Britain, show a further substantial increase in the near future."

The latter portion of this passage involves the fallacy that, under the Union, Irish Revenue is distinct from British Revenue, and that it is Ireland, Scotland, or England that pays Revenue. The whole conception that while you have a common area and a common system particular taxpayers may be earmarked as Irish or English, and Irish Revenue may be spoken of as distinct from English, is at bottom a fallacious one, and all arguments grounded upon it are fallacious as well. As things are now neither Ireland or Scotland or England pays Revenue. It is the taxpayers that pay the Revenue, and the individual taxpayer wherever he resides in the United Kingdom pays the same rate of taxes. It is only under Home Rule and a disunion of Great Britain and Ireland that the question of the amount of Revenue raised in Ireland and the amount of Expenditure as contrasted with the Revenue raised in Ireland becomes important. As long as individual

---

chest, the Consolidated Fund, and the Chancellor of the Exchequer is not troubled with calculations to ascertain how much revenue is properly attributable to Great Britain or Ireland, as the case may be. But if there is Home Rule, a separate exchequer and divided financial system, then it is only the "true" revenue, and not the "collected" revenue, which will actually accrue to each country, and it is upon "true" revenue only that Budgets can be framed. See the Appendix, to the "Report by Committee on Irish Finance," cd. 6153, reprinted post p. 259.

taxpayers bear their fair share of taxation wherever they live and are citizens of a common country it is quite fallacious to suggest that "new charges" or existing charges whether in England or Ireland or Scotland are to be measured against the taxpayers in those particular portions of that United Kingdom, which has a common system of taxation and all Expenditure in which is indiscriminate.[1]

The Committee finds that (1) Old Age Pensions will increase; (2) that there are at present no declining services; and (3) that new legislation may probably impose fresh charges apart from the normal tendency of the cost of Civil administration to grow; and (4) that a further substantial increase in Expenditure may be anticipated in the immediate future. Since they made their Report the National Insurance Act has come into force. It may be anticipated that the annual Government Expenditure on it in Ireland will be at least £600,000.[2]

Conflict between the Report and the Bill.

The Financial plan of the Home Rule Bill runs contrary in several instances to these findings of the Committee that advised the Cabinet. Old Age Pensions are treated by the Ministers responsible for the Bill as a diminishing, not as an increasing, expenditure. Again the Financial Scheme of Home Rule presupposes that the Irish Services can be so substantially reduced in cost by the Irish Parliament as to render the Irish Exchequer

---

[1] See speech of Sir Edward Carson and of Lord Hugh Cecil.—Parl. Deb., 1912, Vol. XXXVI., 1428, Vol. XXXVII., p. 80.

[2] Professor Kettle estimates that State Insurance will, at maturity, cost the Irish Exchequer £700,000 a year. "The Financial Aspect of Home Rule." *The English Review*, 1912, p. 349.

solvent, and that an Irish Chancellor will be able to discover "declining services which can lead to counterbalancing economies," although "none such are at present visible" in the opinion of this expert Committee who examined carefully all the items of Irish local expenditure, who had before them the most experienced administrators in Ireland, and who were commissioned specially to enquire "how the Revenue required to meet the necessary Expenditure should be provided in the event of Irish local affairs being entrusted to an Irish Assembly with a responsible Executive."

A Cardinal Principle of the Bill is to arrest Development and increase Taxation.

As will appear hereafter from an examination of the Bill, a cardinal principle of the New Home Rule Fiscal policy is to arrest the development of Ireland and to standardize expenditure on all services whether for ordinary Civil administration or for education, material progress, or social industrial or agricultural betterment in the country at the present figures, while the taxation of the inhabitants of Ireland is to be increased both by the imposition upon her of all future British taxes and of additional taxes to be devised by the Irish Parliament. This means the supertaxation of the people of Ireland as compared with the people of Great Britain. It will render business competition impossible on the part of Irish manufacturers against British or Foreign rivals. The result will be atrophy, ruin, and revolt, and the Irish difficulty will become the Irish disaster.

The Irish Deficit.

The estimate of Irish Revenue and Expenditure made by the Committee corresponds closely with the actual

figures since presented in the latest available Treasury returns. The total Revenue as contributed by Ireland in 1911–12 was £10,688,000, and the Local Irish Expenditure was £11,533,000 leaving a deficit of £845,000 in Irish True Revenue to meet Irish Local Expenditure, if the Fiscal system of the Union is considered as dissevered.

The last normal year before the Budget was 1908–9. Taking that year and the last financial year, namely, 1911–12, we find that the amount of "True Revenue" contributed in each was as follows:—

1911–12	£10,688,000
1908– 9	9,250,500
Increase	£1,437,500

Principal Heads.

To make the position clearer, it may be well to set out the figures under the principal heads for the years 1908–9 and 1911–12:—

	1908-9		1911-12
Customs ...	£2,682,000	...	£3,207,000
Excise	3,153,000	...	3,348,000
Estate, etc., Duties ...	716,000	...	936,000
Stamps	311,000	...	353,000
Income Tax ...	1,154,000	...	1,504,000
Land Value Duties ...	—	...	1,000
Total Tax Revenue	£8,016,000	...	£9,349,000
Postal Services ...	884,000	...	947,000
Telegraph Services ...	179,000	...	197,500
Telephone Services ...	25,000	...	62,000

Crown Lands ...	£27,000	...	£22,500
Miscellaneous ...	119,500	...	110,000
Total non-Tax Revenue	£1,234,500	...	£1,339,000
Aggregate Revenue ...	£9,250,500	...	£10,688,000

The Committee on Irish Finance assumed that "in two or three years' time" the total "True" Revenue would reach £10,350,000.

It will be seen that the increase of £1,437,500 is on the Aggregate Revenue.

Tobacco and Income Tax.

If the returns be examined in detail it will be found that tobacco alone accounts for an increase of £490,000, while the Treasury estimate under this head was only £213,000. There was an increase of £350,000, including super tax, in Income Tax against an estimated increase of £124,000, exclusive of super-tax. Excluding super-tax from last year's return the increase compared with 1908–9 was £246,000. In Estate Duties the increase was £220,000. There was an increase of only £70,000 in Spirit Duties, notwithstanding the large addition to the rate. Beer, on the other hand, to which no addition was made in the rate, showed an improvement of £49,000 in the yield. It was obvious, therefore, that the consumption of spirits decreased and that the consumption of beer largely increased.

The Expenditure.

In 1911–12 the expenditure in Ireland was £11,533,500, or £845,500 in excess of the contributed Revenue. This expenditure includes only £5,500 in respect of National

Insurance. The sum will be far greater in the current year. In the White Paper issued with the Home Rule Bill the expenditure for 1912–13 is estimated at £12,354,000, while the Finance Committee state that the probable total of Local Expenditure in 1913–14 will be £12,400,000. It is apparent that the additional and fresh taxes are not yet fully productive, and for that reason it is difficult to estimate how much the deficit may be in the course of the next few years.[1]

Comparison of the Present Period of that of the Home Rule Bill 1893.

Making a comparison of the figures with those of the years 1895–6, after the defeat of the second Home Rule Bill, the Committee found that the "True" Irish Revenue was then £8,034,000, and that Irish Local Expenditure was £5,938,000, so that while Irish Revenue during fifteen years has increased by nearly 28 per cent., Irish Expenditure has increased by 91 per cent. During the same period the True Revenue of Great Britain increased from £99,738,000 to £155,137,000, or by 55½ per cent., and the Local Expenditure from £32,306,000 to £60,544,000, or by 87½ per cent. The increase of expenditure in Great Britain has been 87½ per cent. as against 91 per cent. in Ireland—no very great difference when one considers the trend of social legislation and the comparative affluence of the two countries, but sufficient if Home Rule is granted to turn an Irish Surplus of two millions into a serious deficit. This result has been mainly brought about by the enactment of the non-contributory

[1] See an interesting special article on "Irish Taxation and the Effect of the Budget of 1909,' by Mr. C. Lehane, in the *Irish Independent*, August 6th, 1912.

Old Age Pension scheme. It has not been caused by the reproductive legislation of the Unionists.

Since 1895–6 Irish "True" Revenue has increased by £2,250,000 distributed roughly as follows:—

Customs	...	...	...£800,000
Excise	...	...	... 70,000
Estate Duties		...	... 300,000
Stamps	...	...	... 80,000
Income Tax ...		...	... 600,000
Postal Services		...	... 400,000
			£2,250,000

Taxation has, however, been greatly increased. The taxation per head of the population of Ireland in 1889–90 was £1 8s. 2d. per head, in 1889–90 £1 12s. 6d. per head, and in 1911–12 £2 8s. 11d. per head.[1] The Tea Duty has increased by 25 per cent., the Tobacco Duty by 12 per cent. A new Sugar Duty of 1s. 10d. per cwt. has been imposed. The Spirits Duty has been increased by 40 per cent., and the Beer Duty by 14 per cent. These are taxes on commodities. The Revenue shows substantial returns indicating increases in the consumption of Tea, Tobacco, and Beer, " in spite of the concurrent adverse influences of a declining population and of higher rates of Duty, and may be regarded as distinctly indicative of improved economic conditions in Ireland," but the actual yield of the Revenue from Spirits—Home and Foreign—has fallen heavily. If the yield of the Revenue had been proportionate with the rate of the 40 per cent. increased Duty there should have been an increased return of £3,460,000 in 1910–11 as compared

[1] H. C. 789 of 1912.

with the actual yield of £2,223,000 in 1895–6, whereas there was a deficiency of £1,237,000 between the actual and proportionate yield.[1]

Illicit Distilling.

The Committee states that the falling off in the consumption of spirits is suggestive of a marked change in the habits of the Irish people. Unfortunately however, notwithstanding the earnest efforts of the various Temperance associations and agencies, the statistics of drunkenness do not bear out this optimistic view, while the enormous amount of illicit distilling affords a much more suggestive reason for the fall of the Irish Spirit Revenue. The deficit is largely due to the over-taxation of the Lloyd George Budget which has rendered this branch of Irish Revenue comparatively unproductive. The following figures may throw some light upon what is to be expected under Home Rule when the assessment and collection of taxes will be committed to British officials, while the Executive and Police will be under Irish control. If the Irish industry of illicit distillation is carried on with such activity under the Imperial

---

[1] It is interesting to notice the remarkable discrepancy between the statements of Mr. John Redmond and Mr. Dillon when they were speaking in support of Mr. Lloyd George's Budget, and the actual returns showing the effect of the Budget. The Tax Revenue alone, of Ireland, has been increased by £1,333,000 since 1909.

In November, 1909, Mr. John Redmond declared that "This Budget, according to the official figures that have been published, will increase the taxation of Ireland, not by two millions, but by £535,000." Speaking in the House of Commons, Mr. Dillon said: "I assert that the Budget, as it originally stood, would have laid upon Ireland an additional burden of £540,000 per annum. As it now turns out, owing to the failure of the Spirit Duties and other matters, the whole additional load placed upon Ireland by this Budget will be constantly under £500,000. It will lay upon Ireland this year a charge of about £480,000." See speech of Mr. Maurice Healy, M.P., on Second Reading, 7th May, 1912.—Parl. Deb., Vol. XXXVIII., p. 235.

Government, what may be expected when the tax will be an Imperial one and the Government an Irish one?[1]

TABLE OF SEIZURES AND DETECTIONS OF ILLICIT PLANT MATERIALS, &c.

Year ended 31st March.	England	Scotland	Ireland.	United Kingdom
1907	4	2	968	974
1908	3	1	1,025	1,029
1909	1	2	1,149	1,152
1910	Nil	4	1,099	1,103
1911	Nil	4	1,139	1,143

The Report states that the Crown Lands and Miscellaneous Revenue has decreased by £24,000—but this is to be explained by the fact that every year very large amounts of Crown and Quit rents are redeemed in Ireland in the case of Sales under the Land Purchase Acts, and Capital sums amounting to £796,000, representing such rents have been from time to time paid into the Imperial Exchequer and are liable to be accounted for as part of the Hereditary Revenue of the Crown at the beginning of each reign in settling the Civil List. (*See* Report of the Irish Forestry Committee, Cd. 4027 of 1908.)

The Committee states that—

> "With respect to Estate Duties, Stamps, and Income Tax it would involve much intricate calculation to determine the ratio that the new rates of tax bear to the old, because, owing to the economic condition of Ireland with its lower range of incomes, its smaller accumulation of realized Capital, and its

[1] Reports of Commissioners of Customs and Excise—Cd. 5827 of 1911, p. 92.

> limited number of Commercial and Financial transactions, the increases that have been made in the rates of the several classes of Duty do not operate in their full force in that country."

Irish Revenue under Home Rule will not be elastic. The country cannot bear at its present stage of development higher taxation. The anticipation of Mr. Herbert Samuel, in explaining the finance of the Bill upon the First Reading, that Irish Revenue would increase on the average at the rate of £200,000 per annum is, as he himself suggested, "an over-sanguine estimate." The prospect of such a progressive increase even under normal conditions is highly improbable, but under Home Rule it is impossible. Further, Mr. Samuel left out of account the statement which appears in the White Paper:—

> "It is anticipated that in a period of ten or fifteen years the charges under the Land Purchase Acts will increase by £450,000, and under the National Insurance by £300,000."

This is a very moderate estimate indeed, but the official statement even thus foretells an increase in the cost of these two Services of £750,000. The Report of the Committee on Irish Finance points out how the tendency of modern taxation will probably reduce the high proportion of Revenue formerly returned in Ireland:—

> "At the time of the Union the population of Great Britain was almost exactly double that of Ireland. Both populations increased subsequently in nearly the same ratio for thirty or forty years. But the rise of the factory and the growth of industrialism have completely reversed the conditions. The Irish have been thrown back more and more upon the land, and the English have congregated more and more in the towns. From the point of view of direct taxation (Death Duties,

Stamp Duties, Income Tax, etc.) the wealth of England has grown enormously, and continues to grow; while the wealth of Ireland has remained almost stationary. The tendency of fiscal policy is to relieve raw materials and food-stuffs, to remove or lighten the burden on small incomes, and to make compensation for the loss, as well as to provide for the growth of expenditure, by raising the rates of duties on the wealthy. That system works where the wealthy exist, but where they do not exist financial loss is incurred by removing or lightening the burden on the many, and the few are not forthcoming to make good the deficit. In the year ended the 31st March, 1910, the net capital value of estates in England, liable to Estate Duty and worth each over £500,000, was £35,643,245, and two-thirds of that large sum was liable to duty at 15 per cent.; in Ireland the total net capital value in that category of estates was no more than £62,835, being a fraction only of an estate. An examination of the lists of assessments to Income Tax and of annual value for rating reveals the same ever-widening divergence between the wealth conditions of the two countries. We were told in evidence by the witnesses representing the Inland Revenue Department that the increased rates of duties in the Budget of 1909–10 yielded surprisingly little return in Ireland, and that, in their opinion, as long as the increase of rates was coupled with a system of relieving the taxpayers at the lower end of the scale the revenue of Ireland could not be augmented, no matter to what degree the rates of duties might be raised. As long as the Revenue of Ireland responded to an increase in the Spirit Duties (as it did in the 'fifties), the indiscriminate system of taxation could work, but Ireland is rapidly ceasing to be a spirit-drinking, and is becoming, but not to an equivalent extent, a beer-drinking country."[1]

There has indeed been a considerable rise in the Revenue in Ireland from tea and tobacco during the last

[1] Cd. 6153 of 1912, p. 21.

financial year. In the Debate on the Second Reading of the Bill Mr. Stephen Gwynn gave a very probable explanation of this fact. He said:—

> "Over two and a half millions are paid in Old Age Pensions, and that would probably mean at least an addition of £250,000 a year to the taxation receipts, probably more. The Old Age Pensioners in Ireland who get five shillings a week spend one-fifth of it on tea and one-fifth part of the money so spent is spent on taxation. Then, again, there is a large expenditure on tobacco. If you take it that £500,000 is spent on tea, it means £100,000 towards taxation, and if you take it that £250,000 is spent on tobacco it would mean the addition of another £200,000 to the Revenue."[1]

The tobacco Revenue, 1911–12, from Ireland has increased by £490,000 since 1908–9. Of this, £285,000 is calculated to result from the increase of duty under the Lloyd-George Budget.[2] But under Home Rule it is certain that Irish Revenue will fall. The Primrose Committee stated that "an increase of taxation to cover the Irish deficit cannot be contemplated."[3] Mr. Maurice Healy said, on the Second Reading Debate, "I do not believe an increase of Irish taxation is practicable," and most persons who know Ireland would agree with him. As people in Ireland will, under the Bill, have to pay all the British taxes and be also super-taxed by the Irish Parliament it will be the dearest portion of the United Kingdom to live in, and every person of independent means will emigrate from it. Business under a duplicated system of taxation will be impossible in competition with Great Britain. The tenant purchasers who will replace the Income

---

[1] Parl. Deb., Vol. XXXVII, p. 2156.
[2] Parl. Deb., 1912, Vol. XXXVIII., p. 2050.
[3] Cd. 61B of 1912, p. 17.

Tax and Estate Duty paying landlords will come within the limits of exemption, and Death Duties will be paid by them under a very much lower scale. The shock to Irish Commercial and National credit by the passing of Home Rule will be very severe and tell most seriously against Revenue. The reply dated 7th August, 1912, by the Belfast Chamber of Commerce to Mr. Asquith's request for particulars as to the effect which, in their point of view, the Home Rule measure would have on the Industrial and Commercial prosperity of Ireland, sets out the views of business men speaking with the highest authority:—

Views of The Belfast Chamber of Commerce on the Fiscal Effects of Home Rule.

"We are deliberately convinced that, apart altogether from the organised resistance to the establishment of an Irish Government which we know is being steadily prepared, and which can only be put down by the exercise of military force carried to the last extreme, no efforts of the peaceably disposed, and no action of the Executive, can prevent a collision of parties which will produce disorder and bloodshed unparalleled in our recent history, resulting in the paralysis of our industries and in the arousing of sectarian and racial animosities, which will not be allayed for years.

"Already, employers in many places are finding it difficult and sometimes impossible to induce Protestants and Roman Catholics to work together, especially since the bitter resentment caused by the deplorable attack made by a body of the Ancient Order of Hibernians upon a Presbyterian Sunday School excursion party. In the situation thus produced, we have a certain foretaste of what will happen over the greater part of Ulster.

"We need not dwell upon the effect that such a state of social upheaval must have upon business

and commerce. We will only add that it is beyond doubt that the separation of British and Irish interests involved in the breaking-up of the Legislative Union, and in the attempt to force upon so large, important, and determined a section of the people a system of Government to which they are traditionally and bitterly opposed, must have a disastrous effect upon our National and Commercial credit.

"With regard to our apprehensions of the probable effect of the proposed legislation upon Commerce and Industry, we are satisfied that the powers of taxation and of interference with the conditions of employment to be conferred upon an Irish Parliament will place the manufactures and commerce of the country at the mercy of a permanent majority, having little knowledge or experience of the business likely to be affected, and in which they are not largely directly interested.

"Commercial confidence and business credit cannot co-exist with a distrusted public exchequer. The transfer of public money collected in Ireland to meet the transferred services is admittedly barely sufficient for that purpose. Consequently, the Irish Government will have no security to offer for its Consols; it will only be able to borrow (if at all) at disproportionately high rates of interest. The disastrous effect of such a state of things upon the commercial credit of Ireland is only too evident.

"Currency and banking have not—while legal tender and coinage have—been included in the matters which are removed from the control of the Irish Parliament under Section 2 of the Bill, and it is intolerable that the present monetary systems, which have stood the test of 70 years' experience to the great benefit of the entire community, should be subject to interference by politicians inexperienced in financial matters, and liable to have recourse to expedients which might prove ruinous to the credit of the country."[1]

---

[1] See the Report of the Belfast Chamber of Commerce on the Bill, 12th June, 1912, in the Appendix, post, p. 282.

The following extract from the Dublin Stock Exchange Report of 8th August, 1912, in the *Irish Times*—the leading Commercial paper in the South of Ireland—shows how disastrous even the shadow of Home Rule is already proving:—

> "There were some prominent points in connection with the local Stock and Share Market to-day. The outstanding feature was the fall of 10 points further to 250 in Bank of Ireland Stock. We have to go back over a quarter of a century to find the price so low. Between 1887 and 1896 the extreme quotations of this Stock were 376½ and 273, and between 1897 and 1906 405 and 301. During 1911 the market fluctuated between 304 and 269, while up to a few days ago, when 260 was marked, 265 was the lowest quotation. Now the quotation has fallen to 250, the lowest quotation current for the past 25 years. The depreciation in the Bank's big holding of gilt-edged Securities, owing to the threatened political changes in this country, and the system of finance inaugurated of late years by the present Chancellor of the Exchequer, are alone responsible for this severe fall in price."

The Increase of Expenditure in Ireland.

The Committee find that the increase in Irish Expenditure is, since 1895, distributed under the following heads:—

Aid of local taxation ...	...£850,000
Post Office Services ...	... 600,000
Collection of Taxes ...	... 70,000
Department of Agriculture ...	... 365,000
Land Commission ...	... 350,000
Educational Votes (Class IV.)	... 600,000
Old Age Pensions ...	... 2,400,000
Ireland Development Grant	... 185,000
	£5,420,000

"On the balance of other services there was a small saving shown."

The Home Rule Thaumatrope Fallacy.

It is important to note the services on which Expenditure in Ireland has increased. They are almost in every case services connected with the social amelioration and material development of the country. The hollowness of the pretended financial case for Home Rule can be judged by the character of this Expenditure. The cry has been circulated through Great Britain—the absurd, unreal, amazing cry—that Ireland is groaning under the tyranny of a Saxon-imposed expenditure. The "Secret Committee" repeats it to the Cabinet. They say:—

> "*It is a commonplace of the Irish question that Ireland suffers from her financial partnership with Great Britain through being* COMPELLED *to keep pace in expenditure with a country many times richer than herself.*"

Ireland is regarded by these exponents of her wrongs as if she was separated from Great Britain, while all the time, through being united with Great Britain, she receives expenditure for social betterment that she never could afford if severed from Great Britain. It is arrant nonsense to speak of her as being "compelled to keep pace" with England in getting Relief from Local Rates and receiving Old Age Pensions paid out of the Imperial Exchequer. This is one of the fundamental fallacies in the treatment of this subject by English theoretical Home Rulers, and it is a commonplace fraud and misrepresentation used by Irish Home Rulers to take in the British people. The very men who are now denouncing this expenditure are the very men who would leave England no peace did they not get these benefits. Has Ireland any reason to groan because she gets her equivalent grant year by year in relief of local rates, just as Scotland and England get their grants? Everyone

knows she is very glad of it, and everyone knows too that when Ireland wakes up to the fact that these subventions are to be cut down under Home Rule there will be a panic in the country.

Ireland is not "suffering" because her Postal and Telegraphic service is improved along with that of Scotland and England.

Ireland is not "suffering" because of the institution of the Department of Agriculture and Industries, the outcome of the union of Irishmen in the Recess Committee initiated by Sir Horace Plunkett.

Ireland is not "suffering" because of the expenditure on the Land Commission in administering Land Purchase.

Ireland is not "suffering" because of an increased expenditure on Education: she is suffering because the expenditure is not nearly great enough.

Ireland is not "suffering" because the Irish poor receive Old Age Pensions.

Ireland gains in every one of these instances through the existence of the partnership with Great Britain. The only persons who groan in Ireland about these benefits to Ireland are the Nationalist agitators whose Irish policy is, "We prefer Rags and Poverty," because they recognise that every additional advantage such as these coming to the Irish people makes Home Rule more and more a practical financial impossibility.[1]

This fallacy of regarding Ireland under the Union as if Ireland was separated from the Union vitiates the Report of the Committee just as it vitiates the financial arguments for the Home Rule Bill. It is the fallacy

[1] Mr. John Redmond, M.P., at Buffalo, 27th September, 1910—*Freeman*, 12th October, 1910. At Tipperary, on 13th November, 1910—*Freeman*, 14 h November, 1910. See *Home Rule: What Is It?* By A. W. Samuels, pp. 6, 36, 37.

of the Thaumatrope. It depicts upon one side of the card facts existing under the Union, and on the other side suppositions of what could only exist under separation; and spinning the card, the operator produces the "commonplace" hallucination upon which this argument for Home Rule is based.[1]

Ireland under the Union is not a separate State, and is not compelled, as the Secret Committee says she is, "to keep pace in expenditure with a country many times richer than herself." If she was a separate State, then she would "suffer" because she could not keep up these services without imposing much higher taxation on her inhabitants. Under the Union Irish people pay the same taxes as people living in England and Scotland; and the taxpayers in Ireland do not "suffer" any more than English people or Scotch people who pay the same taxes, on account of the expenditure on Irish Land Purchase, Irish Education, Irish Old Age Pensions, Irish Agricultural and Industrial advancement, and subventions from the Exchequer in aid of Irish Local Rates. The inhabitants of Ireland gain greatly by the fact that under the Union the taxpayers of Great Britain—"a country much richer than Ireland herself"—have to

1 "It will often happen that when two objects are incompatible, though either of them separately may be attained, the incompatibility is disguised by a rapid and frequent transition from one to the other alternately. Two distinct objects may, by being dexterously presented again and again in quick succession to the mind of a cursory reader, be so associated in his thoughts as to be conceived capable, when in fact they are not, of being actually combined in practice. The fallacious belief thus induced bears a striking resemblance to the optical illusion affected by that ingenious and philosophical toy called the Thaumatrope, in which two objects painted on opposite sides of a card—for instance, a man and a horse, a bird and a cage—are, by a quick rotatory motion, made to impress the eye in continuation so as to form one picture of the man on the horse's back, the bird in the cage, &c. As soon as the card is allowed to remain at rest the figures, of course, appear as they really are separate and on opposite sides. A mental illusion closely analogous to this is produced when, by a rapid and repeated transition from one subject to another alternately, the mind is deluded into an idea of the actual combination of things that are really incompatible."—*Whately's Logic*, III., p. 11.

contribute to this Irish Expenditure indiscriminately with Scotch and English expenditure as being all "common" expenditure under the Act of Union for the welfare of the one State—the United Kingdom.

Aid of Local Taxation—Increase, since 1895, £850,000.

The Committee states that

> "Of the eight heads under which a marked increase has occurred, the first, 'Payments in Aid of Local Taxation,' represents in the main a transfer from Rates to Taxes and may be left out of account."

Having regard, however, to the scheme of the Home Rule Bill under which the amount of payments to Local Taxation accounts—£1,461,000—constitutes a substantial portion of the transferred sum—£5,462,000—which represents the total cost of the Transferred Services,[1] it is important to see exactly what these payments to Local Taxation accounts are. The Bill proceeds upon the supposition that the solvency of the Irish Exchequer will depend upon the possibility of making substantial reductions in the cost of the Transferred Services. In subsequent pages the items of the Irish Local Taxation account are stated in detail.[2] The grants to it are paid out of the Exchequer in aid of Intermediate Education, and to the Department of Agriculture and Technical Instruction, to County Councils, Rural District Councils, County Boroughs, Boards of Guardians. They aid the Road Authorities, they help to pay the salaries of Dispensary Doctors, Trained Nurses, Sanitary Officers, and to maintain the County Lunatic Asylums. There is no extravagance in this outlay.

1 Outline of Financial Provisions—Cd. 6154, Ap. B.
2 See post, p. 135. See Local Taxation (Ireland) Account—H. C. 317 of 1912.

Modern ideas of the duty of the State to help the progress of Public Health and National Sanitation, to assist Education—Technical and Secondary,—to care for the Insane, and assist County Authorities in the maintenance of the Public Highways, have led to the increase of these subventions by the Exchequer to Local Authorities. The similar subventions in England have risen from £8,930,000 in 1894 to £21,350,000 in 1909, and in Scotland from £1,594,000 in 1894 to £2,638,000 in 1909.[1] In Ireland the grant was £325,000 in 1894, and it was £1,358,000 in 1909. Under the Home Rule Bill the Irish Grant will be stereotyped at £1,461,500, as estimated for in the present year, or whatever may be ascertained by the Joint Exchequer Board to be the exact amount when the Home Rule Act comes into force. The Grant may possibly be diminished through other demands on the Transferred Fund, but it can never be increased. The increase will continue year by year in England and in Scotland; and Irish taxpayers will be contributing all along to the increase of the British Grants, as they will continue paying into the Imperial Treasury taxes levied on them at the same rate as on the English and Scotch taxpayers. The British taxpayer will get ever-increasing grants in aid; the Irish grants in aid will never increase. When the Irish taxpayer discovers this fact he will consider he is being swindled, and the British tax-collectors in Ireland will have their energies severely strained in gathering the Imperial taxes for the Imperial Treasury under the Home Rule Constitution. The Irish Executive will be able to preserve a benevolent inactivity when Nationalist Ireland strikes against British taxes. The collection of

1 These are the latest figures stated in the Statistical Abstract of the U. K., 1911—Cd. 5841, pp. 48-50.

taxes is a Reserved Service, and the British Executive must protect its own officers—the tax-collectors in Ireland. How it is to do it the Bill does not pretend to provide.

Collection of Taxes—Increase since 1895, £70,000.

The item of £70,000 increase of the cost of Collecting Taxes in Ireland between the years 1895 and 1910 is nothing considerable. The Lloyd George Budget, by introducing its new system of valuation of land and by its operations in other directions, has led to the increase of officials and greatly increased the cost of the collection of Revenue. Under Home Rule, when the Customs barrier is created between Great Britain and Ireland, and when the Imperial Government have to equip a host of Revenue Police and other officials, the cost of the collection of taxes will probably be trebled. In 1819 when a Customs barrier existed between Great Britain and Ireland, the cost of Customs and Excise and Inland Revenue Departments was £779,000; in 1911–12 it was £269,000.[1] This increase of Expenditure is to fall on Great Britain as the cost of a Reserved Service.

Mr. Lloyd George stated, on May 8th, 1912, in Parliament, that—

> "The cost of the Valuation of Land in Ireland under the Finance Act, 1910 (his own Budget), will fall upon the Imperial Exchequer, to which will accrue the benefit of the taxes thereby imposed."[2]

Department of Agriculture—Increase since 1895, £365,000.

Take the next item of increased Expenditure—the Department of Agriculture—£365,000. Is it to be said

---

[1] H. C. 1912, No. 189.
[2] Parl. Deb., 1912, Vol. 38, p. 391.

this is a grievance to Ireland? Is it true that she is suffering from her financial partnership with Great Britain owing to the Expenditure on this Department? This Department and the co-operative associations promoted by Sir Horace Plunkett—now so disgracefully attacked by the sorry partisanship of the Vice-President of the Department at the order of the National League—have contributed in no small degree to the marvellous increase within a few years of the commerce of Ireland by £27,000,000, eighty per cent. of which represents an exchange of commodities between Great Britain and Ireland.[1] It means affluence for British trade as well as Irish trade, and it is an excellent investment of £365,000 for every portion of the United Kingdom. Anyone who knows the direct and indirect results of this outlay to the farmers and traders of Ireland knows what a malignant travesty of facts is the representation that Ireland is "suffering" under this reproductive expenditure.

This is portion of the Irish Expenditure that the "Maxims of the Counter" which do service for statesmanship on the side of the Ministry urge England to be rid of—to transfer—and "cut her loss." This prime fiscal argument for Home Rule was anticipated in the case of the American Colonies one hundred and fifty years ago. In 1739 it was pressed upon Walpole that the American Colonies were a financial burden on England, and that he ought to "cut the loss" by raising a Revenue out of them by taxation, but

> "he emphatically rejected the suggestion, adding with admirable wisdom, that it had always been the object of his administration to encourage to the highest point the Commercial prosperity of the Colonies, that the more that prosperity was augmented the greater would be the demand for

[1] The Export and Import Trade of Ireland has risen from £104,244,942, in 1904, to £131,940,725, in 1911. Cd. 1912, 6397.

> English products, and that it was in this manner the Colonies should be a source of wealth to the Mother Country."[1]

The policy of Walpole is the constructive policy of Unionism for Ireland to-day, and not the least valuable example of the gain from that reproductive policy, in its results for Great Britain as well as for Ireland, has been the creation and the subvention from Imperial Funds of the Department of Agriculture and Industries in Ireland.[2]

Land Commission, £350,000.

The most amazing of the remarks of this Committee is the complaint that "even in Land Purchase the influence of the Partnership has made itself felt, for the cost of land purchase to the Exchequer under the Act of 1903 is much in excess of what it might have been; and for this the Imperial Parliament and not Ireland must be held responsible." Parliament has been carrying through the most munificent revolution that has ever been carried out in Ireland. Ireland has reaped every advantage from it, while the taxpayers of the United Kingdom are contributing a grant of fifteen millions to aid its consummation, and yet it is actually proclaimed that Ireland "suffers" from the extravagance of Land Purchase owing to her partnership with Great Britain. The Committee say indeed that she is not to be held responsible for her sufferings in this respect; it is the Imperial Parliament that is to blame! Certainly Ireland would never have had the Land Purchase system except for the Imperial Parliament. She could never finance it alone. Possibly, the suggestion that it might be

---

[1] See Lecky's *History of England*, p. 386. See post, p. 247.
[2] See *Quarterly Review*, July, 1912, p. 278.

carried out at a smaller cost has led to the preposterous provision in the Home Rule Bill that the fair rent fixing duties of the Land Commission are to be entrusted to the control of the Irish Parliament, while the Purchase operations which hinge upon the ascertainment of judicial rents, are to be controlled by the Parliament at Westminster. There is to be unitary finance, for the Imperial Treasury is to pay, and dual direction—Westminster supervising purchase and Dublin operating on rents. What harmonious action there will be under Home Rule!

Mr. Walter Long, in the Second Reading Debate, asked were the Commissioners and Assistant Commissioners to fix the rents to form a Reserved Service, and Mr. Birrell replied, "No, certainly not. All land purchase is reserved, but the land law is not reserved."[1]

The Estates Commissioners who deal with the purchase of lands, and the Congested Districts Board so far as it deals with land purchase, are to be "reserved," but the Land Commission, the body which has the fixing of the rents upon which purchase terms depend, is to be transferred to the Irish Parliament, the vast majority of whose members will be elected by Irish farmers—a Parliament which will be led by Ministers who have continuously declared their intention to hack down rents when they get power under Home Rule.

Mr. John Dillon, M.P., Dictates the Land Policy of his Party under Home Rule.

In a speech at Trim, on the 8th October, 1911, in which he discussed the prospects of land purchase, Mr.

[1] Parl. Deb., 1912, Vol. XXXVII., p. 1728.

Dillon referred to the Irish landlords as follows (*Freeman's Journal*, 9th October, 1911):—

> "I tell these men that the sands in the hour-glass are running out fast. Home Rule is coming, and we will get it whether they like it or not. And when Home Rule has come, and there is an Irish Parliament sitting in Dublin, I don't think they will get English Ministers to trouble themselves much about their woes in the future. They will make their bed with the people of Ireland, and be it short or long they will have to be on that bed. It is better for them to make friends with their own people while there is yet time."

Addressing a large Nationalist meeting at Carlanstown, near Kells, on the 16th October, 1911, Mr. David Sheehy, M.P., said (Dublin papers, 17th Oct., 1911):—

> "The graziers and the grabbers were not yet done with, and the people must tackle this question themselves. Perhaps it may not be in their power in a week or a month, but he would say deliberately to them that the sands of the hour-glass are running for the grazier and the grabber, and the day is coming when the people would have an Executive of their own, that would control the destinies of their land. Under these circumstances, the caution went out to those who had the administration, or the maladministration, of the principal Purchase Acts that are now in existence, that a day will come for them to say that they will be accountable and only accountable to an Irish Executive—an Irish Parliament and the Irish people. When," Mr. Sheehy continued, "we have the destinies of our own land in our hand, then to a bad lot and all who administer the law wrongly and unjustly, and in favour of a section or party, we will say, our time has come now—Faugh-a-ballagh."

What will become of the £120,000,000 Imperial money advanced on the security of Irish land under this regime?

The Irish Post Office Services—Increase since 1895, £600,000.

The Primrose Committee complains of the increased cost of Post Office services in Ireland amounting to £600,000 since 1895; "with a falling population," they say, "and with no very marked enhancement in the general activities of the country, the increase in the cost of serving the Post Office certainly requires explanation." These gentlemen seem to be ignorant of Irish conditions. There has been a very great increase in the activities of the country, and greater postal and telegraphic facilities have enormously benefited Ireland. The Irish people are certainly not "suffering" under these increased advantages. The chief reason of the increase of the cost of Post Office services is that on the occasion of her late Majesty's Jubilee a boon was given to the outlying portions of Ireland and Great Britain, and the delivery of letters to the cottiers' houses in country districts was inaugurated. Instead of the peasants of Ireland having to wait, as they often did, a fortnight or a month for their letters, instead of their having to walk several miles to the nearest village Post Office, they now get their letters delivered at their own homes. The increasing prosperity and improved business methods of the farming classes of Ireland is in no small degree due to the facilities now given by the improved Postal and Telegraphic services in Ireland. They send to England enormous quantities of farm produce by post, and on the other hand a great trade is done with Ireland by firms in London, Manchester, Birmingham, and other English cities owing to the increasing habit of shopping by parcel post. The extension of the telegraphic lines to remote portions of the coast line of Ireland produces little Revenue in the cash balances of the Post Office,

but is of immense and incalculable value for the strategical strength of the Empire.

The Irish people would not tolerate a reduction of the Postal and Telegraphic Services, and it would be impossible under Home Rule for an Irish Chancellor of the Exchequer to attempt to reduce the wages of the officials and Postal employees who are certainly not overpaid. The Post Office Revenue in Ireland has risen since 1895 from £863,000 to £1,144,500 in 1912. The proceeds of the Postal Branch increasing from £619,000 to £947,000; and of the Telegraph Branch from £144,000 to £197,500. This does not take into account the Telephone Revenue, which in 1911–12 was £62,000. Certain other aspects of the proposed transfer of the Post Office to the Irish Government under the Home Rule Bill are considered later on.[1]

The Finance of the "Cut the Loss" Policy.

Such are some of the features of the Home Rule proposals of Mr. Redmond and Mr. Asquith as they affect Ireland. As a matter of fact and Constitutional Law—

> "There is no loss on Ireland under the Union, and no failure on the part of Ireland to contribute to the Common Purse. As long as people in Ireland pay the same taxes as their fellow citizens in Great Britain they are paying their fair share towards every Imperial purpose, and that is enough for them to pay according to Unionist views."[2]

Whig financiers have always dealt severely with Ireland. Her economic disasters in the nineteenth

---

[1] See p. 160.

[2] See speech of Mr. Amery, M.P., 30th April, 1912.—Parl. Deb., Vol. XXXVII., p. 1764. See also *The Finance of the Home Rule Bill*, by A. D. Steel-Maitland, M.P., *National Review*, June, 1912.

century have been almost altogether due to the withering doctrines of the Ricardian and Cobdenite school. These doctrinaire economists inspired the Whig and Radical politicians who taxed her relentlessly and differentiated against agriculture while they denied all State subvention for her material development, and looked upon the mere suggestion of it as rank heresy. The Radicals of to-day have abandoned all these doctrines. Their policy is to bribe the masses of the electorate by attacking property, robbing hen roosts, and dividing the spoil. But if the spoil is to be divided, there are, in their opinion, too many of the poorer classes in Ireland to suit the situation. Under the Union the Irish would have to share equally, just as they share in Old Age Pensions, and this does not appeal to Radicalism. Radicals are ready to bleed Ireland white with taxes, but not to let her participate equally in the distribution of the funds produced by those taxes. They look on the Irish Old Age Pensions not as a boon to Ireland, but as a loss to England, and their cry is therefore "Cut the loss"; tax Ireland the same as ever, but stop her getting any more subventions. Thus under the guise of Home Rule they have designed her financial ruin, but in doing so, they will imperil the finances and shock to the foundation the credit of Great Britain and the Imperial State.

Radical Finance for Ireland.

The standard fiscal argument for Home Rule is "cut the loss." They say Ireland does not now "pay her way"; she is a loss to England, and if she is to be developed with the assistance of the State in the future she will be even a greater loss. On the inter-insular account of Revenue and Expenditure she is

about a million and a half to the bad now, instead of bringing in four or five millions as in the days of Gladstone, or even two or three millions as she used recently to do. This deficit will increase if she is to be allowed any longer to stand in with England and Scotland, and get the same material benefits as they do from the Imperial Exchequer. Five shillings a week is quite a proper scale of expenditure for an Old Age Pensioner in London or Glasgow, in Hereford or the Hebrides, but it is an extravagant sum for a semi-pauper in Dublin or in Donegal. It is only proper for a well-to-do nation such as Great Britain to spend, as we are doing, £14,360,000 on English Education, and £2,346,000 on Scotch Education. This is a correct and reasonable British standard,[1] but to spend £1,647,000 on the education of the mere Irish is an extravagance that the British Ministry must, in the interests of the British Nation and of Liberal Finance, put an end to. Imagine the National loss to Britain were Day Industrial Schools to be assisted by the State in Ireland, as they are in England! Imagine if blind, and deaf, and defective, and epileptic children in Ireland were to get State assistance for their education as they do in England and Scotland! What degrading bribes and doles they would be in the case of Ireland! What would happen to the Imperial Revenue if this were done? What a shocking Irish deficit would appear in the Financial Relations Returns! Irish Educationists are insatiate, they are demanding an increase commensurate with that of Great Britain in the amount of State assistance for Irish Education. Liberals should not listen to such an appeal. It is against their Irish traditions. "Cut the loss," and let the Irish recognise

[1] Public Education Expenditure, 1911-12—H. C. 1912, No. 190.

their limitations and learn to finance these inordinate demands themselves under Home Rule.

The improved Postal and Telegraphic Services is an extravagance for Ireland. Grants in aid of Local Rates are an extravagance. Irish Land Purchase has been successfully stopped, by a thrifty Radical Act, since 1909. Extravagance in a Land Purchase system is encouraged by the Partnership. Under Home Rule it must be finally ended. We will reserve the service, and control the taxing. Irish National Health and Sanitation, and Urban and Rural Development ought not to be allowed to compete in outlay on the British scale. Ireland is being debauched with doles and subventions.[1] State assistance for Technical Education, Agricultural Organisation, for Improved Transit, for Congested Districts: all these things are demoralising for a poor country like Ireland. "She is losing her self-respect."

Contrast the thrift of our Home Rule policy with the extravagance of the Unionist policy. They boast that their policy is reproductive and brings its Revenue in its train. That a prosperous peasantry means a prosperous people, and a prosperous people means commerce with England and Scotland, and increasing Irish and British trade, and wealth in both countries, and Exchequer returns pulsating in the National life with the vigour imparted to the agriculture, industries, and commerce of the sister Kingdom.

> "The Leader of the Conservatives has now announced, with splendid audacity, that if the 'partnership' continues, if the Conservatives are still allowed to misrule Ireland . . . . they will endeavour to develop in every possible way the resources of Ireland—that is to say, the policy of bribes and doles is to continue at the expense of the British taxpayer."

---

[1] *The New Irish Constitution*, p. 155.

Thus writes Lord Welby, in the *New Irish Constitution*, the official publication of the Liberal Party, and their authorised exposition and argument for the Home Rule Bill.[1]

What is the announcement made by Mr. Bonar Law with splendid audacity that thus excites the detestation and denunciation of the Radical Party? It is contained in the introduction by Mr. Bonar Law to the book published by the Unionist Party *Against Home Rule*—a book outlining the Irish policy of the Unionist Party, showing, as Mr. Bonar Law says, that "ours is not merely a policy of hostility to Home Rule, but it is, and it has always been, a constructive policy for the regeneration of Ireland." The following is the passage that infuriates Radicals and Home Rulers:—

> "The ameliorative measures originated by Mr. Balfour when he was Chief Secretary, and which culminated in the Wyndham Purchase Act, have created a new Ireland. Mr. Redmond, speaking a year or two ago, said that Ireland 'was studded with the beautiful and happy homes of an emancipated peasantry.' It is a true picture, but it is a picture the result of Unionist policy in Ireland, a policy which Mr. Redmond and his friends, including the present Government, have done their best to hamper. The driving power of the agitation for Home Rule has always been discontent with the Land system of Ireland, and just in proportion as Land Purchase has extended, the demand for Home Rule has died down. The Nationalist leaders realising this, and regarding political agitation as their first object, have compelled the Government to put insurmountable obstacles in the way of Land Purchase, not because it has been successful, but because it has been too successful."
>
> "The prosperity and peace of Ireland depend upon the completion of Land Purchase, and it can

[1] *The New Irish Constitution*, p. 155.

> only be completed by the use of British credit which, in my belief, can and ought only to be freely given so long as Ireland is in complete union with the rest of the United Kingdom. In the present deplorable position of British credit the financing of Land Purchase would be difficult, but it is not unreasonable to hope that the return to power of a Government which would adopt sane financial methods would restore our credit; and in any case the object is of such vital importance that whatever the difficulties, it must be our policy to complete with the utmost possible rapidity the system of Land Purchase in Ireland. It will also be our aim to help to the utmost in the manner suggested in different articles in this book, in the development of the resources of Ireland. The Nationalist policy, which is imposed also on the Radical Party, is in fact more politics and less industry. Our policy is more industry and less politics."[1]

What is the constructive policy indicated in the Articles? Rural and Agricultural and Industrial Development and Sir Horace Plunkett's principles of Co-operation, the formula of these rural reforms being—"better farming, better business, better living"[2]; the completion of Land Purchase[3]; certain practical administrative reforms in Irish Finance[4]; the treatment of the United Kingdom as a single economic area, and giving Ireland the fullest advantage of a new era of progress and development for the United Kingdom as a whole, "as opposed to the economies of separation which would exclude the area of Ireland from the political and economic life of the rest, an exclusion which, while injurious to the rest, must prove disastrous above all to the part excluded"[5]; the removal of Private Bill Legislation from Westminster and the inauguration of a system in Ireland similar to that

[1] *Against Home Rule*, p. 12

[2] See p. 225. [3] See p. 249. [4] See p, 271. [5] See p. 282.

existing in Scotland whereby Local and Private Bills can be considered on the spot in Ireland[1]; Poor Law Reform[2]; the Improvement of Education[3]; and the Development of Transit and Transport.[4] Any such policy is anathema to the Home Rule Economists that will offer any amount of bribes to the British voter if he will but support them, but denounce any effort for the industrial and agricultural development of that part of the United Kingdom called Ireland.

> "It is a commonplace of the Irish Question that Ireland suffers from her financial partnership with Great Britain through being compelled to keep pace with a country many times richer than herself . . . The experience of the last few years amply confirms[5] the theory that a financial partnership with Great Britain does lead Ireland to a scale of expenditure that is beyond the requirements and beyond the natural resources of the country itself. It was important enough, but still not vital so long as the theory of Government that prevailed in the nineteenth century held sway. For that limited the function of the State, and thereby limited the field within which the influence of Great Britain on Irish public expenditure could operate. All that is changed now. We are entering on a new era in which quite different ideas of the functions of Government and of the employment of public Revenue will prevail, of which Old Age Pensions may be said to be the first fruit. That single measure *has imposed on Ireland a charge* that at one stroke has swept away the margin of Irish Revenue over Irish Expenditure and left her with a deficit. But further legislation of the same tendency may be foreseen. Schemes that are sure to be framed with reference to the needs of Great Britain with its vast preponderance of industrial population, and which if applied to Ireland without adaptation must inevitably lead to grievous waste of public

[1] See p. 295, [2] See p. 304. [3] See p. 314. [4] See p. 332.
[5] See Report of Committee on Irish Finance—Cd. 6153 of 1912, p. 5.

> money, if not also to serious demoralization of Irish life. . . . . For these reasons we are emphatically of opinion . . . that quite apart from any question of a change in the political relations between Great Britain and Ireland some radical change in the financial relations is imperatively required in the interest of both countries alike, of Great Britain no less than of Ireland."[1]

So, in the interests of virtue, Erin is, under Home Rule, to be taught Radical economy by being taxed by all British taxes as well as Irish taxes, and to get nothing further for development. Mr. Lloyd George is to give England and Scotland and Wales plenty of rare and refreshing fruit, but these apples of Paradise would demoralise Ireland. Mr. Birrell reports Ireland "wants more," and that England must "cut the loss" and get Ireland off her hands. The Cabinet's Advisory Committee is horrified at the idea of the serious demoralisation of Ireland wanting more, and the Cabinet in conclave agrees to cut the loss. So it was that—

> " Oliver, desperate with hunger and reckless with misery, rose from the table; and advancing to the Master, basin and spoon in hand, said, somewhat alarmed at his own temerity :—
>
> " ' Please, sir, I want some more.'
>
> " The Master was a fat, healthy man, but he turned very pale. He gazed on the small rebel for some seconds, and then clung for support to the copper.
>
> " The assistants were paralysed with wonder.
>
> " ' What!' said the Master at length, in a faint voice.
>
> " ' Please, sir,' replied Oliver, ' I want some more.'
>
> " The Master aimed a blow at Oliver's head with

[1] Cd. 6153 of 1912, p. 7.

the ladle; pinioned him in his arms, and shrieked aloud for the beadle.

"The Board was sitting in solemn conclave when Mr. Bumble rushed into the room in great excitement, and addressing the gentleman in the high chair, said:—

" 'Mr. Limpkins, I beg your pardon, sir, Oliver Twist has asked for more.'

" 'For *more*!' said Mr. Limbkins. 'Compose yourself, Bumble, and answer me distinctly. Do I understand that he asked for more after he had eaten the supper allotted by the dietary?'

" 'He did, sir,' replied Bumble.

" 'That boy will be hung,' said the gentleman in the white waistcoat. 'I know that boy will be hung.'

. . . .

" A bill was next morning pasted on the outside of the gate, offering a reward of five pounds to any-one who would take Oliver Twist off the hands of the parish."

CHAPTER III.

The British Danger.

The Bill achieves the remarkable feat of being alike unjust to Great Britain and to Ireland, and of being as dangerous for the British taxpayer as it is oppressive for the Irish.

Such matters of Imperial importance as Post Office Control and powers to vary Customs are entrusted to the Irish Parliament. The Irish Executive will be practically supreme in Ireland in administrative matters, though manacled in fiscal matters. There is to be a nominal Imperial Executive power of control over the Reserved Services, but no Imperial Executive staff provided to back its commands, nor has there been even a suggestion that British outlay must be made for such a purpose. There is no definition of boundary between the powers of the British Executive controlled by the Imperial Parliament and the Irish Executive controlled by the Irish Parliament. A dual administration and divided duty will distract some of the most important services in Ireland. Administrative action must in the case of the "Reserved Services" take place in Ireland by the British Executive depending on the assistance of the Irish Executive. If it is once refused, the conflict which will thus begin will become interminable. No machinery is suggested and no financial provision made for the representation of the Irish Executive in the British Parliament or of the British Executive in the Irish Parliament.

Ireland is to send forty-two representatives to the British Parliament: they will have uncontrolled power of debate and voting. Great Britain sends no representatives to the Irish Parliament. A fixed sum of about six millions per annum, called "the Transferred Sum," is to be remitted to Ireland annually out of the Imperial Exchequer. With this sum Ireland is to finance, as far as it will extend, all the transferred Irish Services. The "Reserved Services" are retained by the Imperial Parliament. As the Imperial Parliament will be responsible for these Reserved Services, Old Age Pensions, National Insurance, Labour Exchanges, Land Purchase, Collection of Taxes, and during six years for the Royal Irish Constabulary, Great Britain will have to finance these services, but the amazing proposal is that she shall do so, not only as long as they are retained under British control, but ever afterwards, if they are taken under Irish control, keep supplying the amount they cost at the day of transfer!

The forty-two Irish Members at Westminster.

But, again, the position of the forty-two Irish members will be at once aggravating to Britain and humiliating to Ireland and unjust to both countries.

> "Their numbers are deliberately fixed so that Ireland may be under represented; that is the object of the Government in doing it—the avowed object that puts them in a different position from any other members in the House."[1]

Mr. Asquith stated on the First Reading that—

> "The justification for the retention of a reduced number of Irish members rests, in the first place, upon the ground that the Imperial House of Com-

[1] See Mr. Balfours' speech, 2nd May, 1912—Parl. Deb. XXXVII., p. 2063.

> mons will still continue to tax the whole of the United Kingdom."

Mr. J. Redmond said, for his part, they might reduce them considerably more.

> "We are only brought here at all because, pending a final settlement, it is necessary that this symbol of Imperial unity should be, at any rate, maintained."[1]

That is to say, they are to be kept in the British Parliament to justify the new theory of Liberal and Home Rule statecraft:—"No taxation without representation, but any amount of taxation without adequate representation." They are to affix a spurious Irish sanction to the British Budgets[2] taxing Ireland, but as Ireland under the Bill has to pay all the taxes imposed by these British Budgets, it will be the interest and the duty, and it is certain to be the commission, of the forty-two Irish representatives in the United Parliament to vote against any increase of taxation proposed by the English Chancellor of the Exchequer. They will constitute a permanent body of forty-two who will be always added to the British Opposition—an United Irish League to job for concessions and to prevent any increase of Irish taxation by means of British Budgets. This will be their plan of campaign. To the ordinary Opposition will be added the opposition of these men, and then before a Ministry can carry on the Government of Great Britain and the Empire it must have a majority not only over the ordinary Opposition, but over the ordinary opposition of these forty-two antagonists. This is Home Rule at Westminster—Home Rule that will render party government in the Imperial Parlia-

---

[1] Parl. Deb. Vol. XXXVIII., p. 1445.
[2] See *Quarterly Review*, July, 1912, p. 3.

ment almost impossible. The Irish forty-two must be bribed by constant concessions, and they will dictate the terms of their allegiance. They will have no interest in supporting any British Government, unless its policy will be to diminish further and further the control of the Imperial Parliament over Ireland. They are to be there, in Mr. Redmond's words,

> "Only under such condition as to make it practically impossible for us to govern decisions on Scotch, Welsh, or English Bills,"

and as Mr. Asquith said,

> "In such numbers only as would not be sufficient to turn the scale of political fortune between the two great English parties";[1]

but as Sir Edward Carson said,

> "Not one would be on the side of England. He did not know why they should. You will have your forty Irish members probably holding the balance between both parties, not asking paltry questions about a Post Office in Ballaghadereen or some other place, but directing your serious attention probably to an outbreak against taxation in Ireland caused by the artificial system you have set up."[2]

In result they will be there for the purpose of extorting bargains from either party as the price of their allegiance. As Great Britain must finance the Reserved Services and as Ireland must get her stereotyped allowance of six millions a year, these forty-two will be Operators and not Legislators at Westminster.

The Incentives to Extravagance.

Further it will be the interest of Ireland to increase as far as possible the British Expenditure upon the

---

[1] Parl. Deb., Vol. XXXVI, p. 1418, p. 1445.
[2] Parl. Deb., Vol. XXXVI., 1431.

Reserved Services. After six years the control of the Royal Irish Constabulary passes to the Irish Parliament, while it is empowered to assume at any time after twelve months' notice Legislative and Executive control of Old Age Pensions, National Insurance and Labour Exchanges. When any such transfer is made the transferred sum is to be increased by such sum as shall represent the saving to the Imperial Exchequer by reason of the transfer, regard being had to the prospect of any increase or decrease which may be expected to arise in the cost of the Service from causes not being matters of administration.[1]

Accordingly it will be the interest of the Irish Parliament and Executive to increase the cost of these Services to the highest possible figure and then take them over. Take, for instance, the case of Old Age Pensions. The Primrose Committee reports that they may be expected to increase shortly to £3,000,000 per annum. In the White Paper they are only calculated at £2,664,000. The Irish Local Government Board exercises great control over the administration of Old Age Pensions. Since the Act was passed in 1908 the Board has had to deal with no less than 59,000 appeals from Pensions Committees. They decided 13,509 appeals last year alone.[2] The Local Government Board passes under the control of the Irish Government the day Home Rule becomes an Act of Parliament. The way that this Board administers the Act under the control of the Irish Executive will largely affect the British Expenditure on Irish Old Age Pensions. The less economical its administration the greater the money gain for Ireland and the greater the money loss to Great Britain. It will be the

[1]Clause 17 (4).

[2]Report of Local Government Board for Ireland, 1912. See post p. 112.

interest of the Irish Government to take over the Pensions at the critical moment when they reach the highest possible figure, as Great Britain will ever afterwards have to provide that amount even if the cost of Old Age Pensions decreases under Irish control or the Irish Parliament cut them down or discontinue them.[1] It is an extraordinary system of finance that England and Scotland are to find the money and Ireland is to have the control. It is still more extraordinary that England and Scotland are to find the money at the maximum rate for Irish Old Age Pensions, and that the Irish Parliament may abolish Old Age Pensions. Nothing can more clearly demonstrate the power of the Nationalist organisation in successfully silencing all discussion on the Home Rule Bill than the fact that the Irish poor have not got the slightest idea that Old Age Pensions are imperilled by Home Rule, and that it is the intention of the Nationalist Party to cut down or abolish the Pensions in Ireland under Home Rule. If this was known in the country there would be dismay and terror. But the people are not allowed to know what is going on. They believe there is going to be a great distribution of lands and money among them, and they have not got the remotest conception that Home Rule is to be financed by increasing their taxes and cutting down their Pensions.[2]

---

[1] See Mr. Redmond's speech—Parl. Deb., Vol. XXXVI., p. 1445 : "That is an important point, the option of taking over Old Age Pensions, the charge still remaining an Imperial charge, but the Irish Parliament being able to take advantage of any savings she may be able to effect."

Mr. Herbert Samuel said (Parl. Deb., 7th May, 1912, Vol. XXXVIII., p. 272) : "If the Irish Parliament decided later on in regard to future pensioners to give smaller pensions, and devote the savings to other national purposes, why, in Heaven's name, should they not be allowed to do so" !

Mr. Birrell (Parl. Deb., Vol. XXXVIII., p. 348), said in reply to Mr. Fred Hall : "Subject to the rights of existing pensioners at the time of transfer, it would be open to the Irish Parliament to discontinue or alter the rate of future pensions, irrespective of the state of Irish revenue."

[2] See post p. 111.

This novel system of raising Irish Revenue at the expense of the British taxpayer can be exploited in infinite variety. It would pay the Irish Government to keep up by means of the disciplined Molly Maguires, Moonlighters, and Cattle Drivers, and other branches of the experienced and well-organised League, as much agrarian and other disturbance in Ireland as possible during the first six years, and thus compel England to keep up a greater and more expensive Constabulary force. The Nationalists can also contemplate with complacency the determination of Ulster to pay no taxes under Home Rule. England is to be responsible for the collection of the taxes; and the bland idea of the Radical Ministry that they will check-mate Ulster by reserving the Royal Irish Constabulary for British control during the first six years to keep Ulster in hand, and to enforce the collection of taxes there as an Imperial Service must commend itself to the embryo Irish Chancellor of the Exchequer as excellent statecraft. Ireland must get her six millions to supply the Transferred Services whether any Revenue is raised in Ulster or not raised. The Irish Government is not to be responsible for the peace during the first six years. With a judicious distribution of moonlighting in the South and with Ulster in revolt in the North, there would be a most satisfactory financial outlook for Ireland. The cost of the Constabulary would have to be increased rapidly by hundreds of thousands above its present figure £1,350,000, and then it would be taken over with the transferred sum swelled to the maximum figure. England would have to keep on paying this figure for all time, and Irish Nationalist Directory could subsequently call the Molly Maguires to heel, cut down the Constabulary, and keep the cash.

Again, it would naturally commend itself to Nationalist financiers under Home Rule as an excellent expedient to raise Irish Revenue, were a judicious encouragement given to a campaign against landlords in aid of the rent fixing operations of that Branch of the Land Commission which is transferred to the Irish Government. It would pay, as England would have to keep up a large Constabulary force to keep the King's Peace and combat the campaign. Budgetting on these lines would be doubly popular: it would harry the landlord and bleed the Briton, and lay up treasure for Ireland against the day of transfer.

There is also a rare and refreshing fruit in National Insurance. At present the Act is intensely unpopular in Ireland, but it contains germs of great profit and popularity under Home Rule. It would be an excellent financial expedient for the Home Rule administration to support the Act being carried out at the expense of Great Britain in as extravagant a manner as possible at first under the direction of Mr. Devlin, M.P., who is responsible, as leader of that Friendly Society the Ancient Order of Hibernians, for much of the administration of the Act in Ireland, as well as in his capacity as the "Real Chief Secretary for Ireland." Then after two or three years, when the anticipated State subvention in Ireland of £600,000 or £700,000 is reached or exceeded, Ireland can take over the Service, getting for all time the maximum grant from Great Britain, and as soon as the money is secure the Irish Parliament can abolish future Insurance. A permanent endowment of about two-thirds of a million could be thus secured from Great Britain, Ireland could spend it as she liked, and the Irish people would be delighted to get rid of a system that they never wanted and cordially detest.

It is an absurd system of finance—that Britain is to pay and Ireland is to control any Service. It is still more absurd that Britain is to be compelled to pay for a Service while Ireland is to be at liberty to abolish it. It is the climax of absurdity to talk of "cutting the loss." Great Britain retains the expensive Services; Ireland can increase their expense; at the moment of maximum cost she can take them over, and England must continue to pay that maximum. The Irish are not economical by nature. They certainly will not be economical when economy would be for them unprofitable and extravagance lucrative.

Ireland will Pay Nothing for Defence.

But in addition to all this, Ireland under Home Rule will pay nothing towards Defence, Civil List, or National Debt. This may seem a paradox having regard to the fact that Irish taxpayers under Home Rule will have to pay all the taxes that British taxpayers pay. But the severance of the financial partnership and the breaking up of the system of Union Finance, necessitates this result. As long as there is a common Exchequer there is no right to segregate anything paid into that Exchequer as paid towards local or Imperial purposes. As Irishmen pay the same taxes as Englishmen there is no right whatever to differentiate their contributions. It is not true to say now that Ireland contributes nothing to the Imperial Services. Irish citizens pay exactly as much as Englishmen and Scotchmen do to every Service—Local and Imperial.

Once, however, the individual taxpayer is disregarded and the financial relations of Great Britain and Ireland are based upon the principle of two Exchequers and two

Consolidated Funds, then it is the liabilities, contributions, and obligations between "Ireland as a Nation" and "Great Britain as a Nation" that have to be considered.[1] The bargain is that England gives up control in Ireland, and Ireland is not to interfere in Imperial matters. She is not under any National obligation to contribute to them. And as her Revenues are not sufficient to meet her Local Expenditure, and she cannot as a separate State pay her own way, it is clear that she cannot contribute to Defence, National Debt, or Civil List. It is Ireland as a separated area that has to be considered under the Home Rule scheme, not the individual Irish taxpayer. There are to be two Governments instead of one Government in the British Isles, and the Irish Government is in the future entity that has to be considered.

At present the Revenue contributed by people living in Ireland falls short of the State Expenditure in Ireland by about £1,000,000. When Old Age Pensions increase, as is anticipated by the Report of the Primrose Committee, to £3,000,000, and National Insurance begins to operate in full, the deficit will be about £2,000,000. If the cost of the other Reserved Services such as the Royal Irish Constabulary and Collection of Taxes rise, as they almost certainly will under Home Rule; if the expenses of the Land Commission—calculated in the White Paper to increase by £450,000—are added, the total deficiency will be probably nearer £3,000,000 under Home Rule. This must be made good by Great Britain. The Irish Government will not be liable for it. They will be entitled to get the £6,000,000 Transferred sum from the Imperial

[1] The term "Great Britain" is used instead of United Kingdom as the term United Kingdom is inapplicable when the Finance is severed.

Exchequer, and the Irish Government will be under no liability to make any contribution to Defence or any other Imperial Service.

The Revenue produced by the Imperial taxes raised from the taxpayers in Ireland will not be sufficient to meet the cost of the Reserved Services administered by the British Government, plus the Transferred sum of six millions dealt with by the Irish Government. Great Britain gives up control to Ireland of the Transferred Services, and has to pay for all Reserved Services, and Great Britain has, therefore, to Finance the Government of Ireland, while the Government of Ireland contributes nothing to Finance for Imperial purposes. Therefore it is perfectly true that under the Home Rule scheme Ireland will contribute nothing whatever to Defence, Civil List, or National Debt, and she will have to get from £2,000,000 to £3,000,000 a year from Great Britain to keep her barely solvent.

The Policy of Infuriation All Round.

The Irish question will never be solved by this monstrous proposal of raising taxes in Ireland, pouring them into the Imperial Exchequer along with the revenues of Scotland and England, spending those combined revenues on ameliorative objects for Great Britain, and denying Ireland a right to any further share in them beyond what may be attributed to her as her proportion on the day that Home Rule passes into law. Under this Home Rule Scheme "Ireland" will not be contributing a pound note to the National Debt, Civil List, Army or Navy, and yet the day that inaugurates this system of Home Rule finance will inaugurate an era of Detestation and Revolt by Ireland against Great

Britain, the bitterness of which has been as yet unparalleled. No people would submit to a financial slavery such as this will appear to be, when they will be compelled to see their taxes gathered to pay for the continuing social development of the country of the tax-gatherers, while their own country's development is arrested, and they are left with means for Irish services which the Prime Minister himself stated in introducing the Bill are "barely sufficient to make two ends meet."

. The Irish people will not tolerate this—still less will they tolerate the amazing proposals that the taxes imposed by the Irish Parliament for Irish purposes are to be gathered by British tax-collectors, and garnered into the British Treasury. If ever a proposal was deliberately designed to provoke national antipathy it is this.

But on the other hand the British people will not tolerate their being compelled to pay for Irish Services that they cannot in any way control. To be financing Old Age Pensions in Ireland at the rate of three millions a year that may be cut down by the Irish Government to a million and a half a year; to pay six or seven hundred thousands a year for National Insurance in Ireland, and to find that National Insurance is abolished in Ireland; to finance the extravagance of Irish jobbery at the expense of the British taxpayer and to imperil the millions and millions that they have advanced for Land Purchase and on Local Loans in Ireland, by handing over the administration of Ireland to the debtors to the Imperial Revenue and the determined enemies of the Imperial Government. There will be every incentive for Ireland to swell the cost of the Services paid for by the Imperial Treasury. The Irish Executive will control Ireland. The English Treasury will finance

the Services retained. Taxes will be reluctantly paid to "alien" tax-collectors, and England will be powerless to collect a tax without the active support of the Irish Executive.

Contrast between Union and Home Rule Finance.

The Home Rule Financial attitude under the Bill is not only "Logically the Great Fallacy": but "Financially the Great Swindle." It is also based upon a complete travesty of fact. There is no "charge" on Ireland. Ireland and Great Britain stand together under the Union. Under the Union Finance there is no Irish deficit or British deficit. The Revenues of the whole United Kingdom form one blended fund, and their expenditure is indiscriminate. Twenty years of Unionist constructivism have demonstrated that Ireland can fructify—Home Rule Radicals see in this danger to their political schemes and prefer to adopt for Ireland Mr. Redmond's policy of Rags and Poverty, and estrangement from British connection and British progress. Why is Ireland not to be allowed to share any longer with England and Scotland, and to receive the benefits of the new system of Government and Legislation? Ireland is entitled to it under the Union, and whether she is separated by Home Rule from Great Britain or not, she will if taxed by Great Britain insist on sharing in similar subventions for social progress. But the Radical, ever impatient of any expenditure on Irish Development, makes use of a Radical fallacy and argues as if severance already existed, and cries for the Radical remedy to cut Ireland off from association with Great Britain. He cannot bear that the once unprogressive portion of these Islands should share in the

new ideas of progressive productive State assistance. They demand a reversion to the heyday of Radicalism, to the dreary days of the Ricardian Economists when Ireland was alternately starved and vivisected by their experiments. Let *laissez faire* be still her lot. She is the poor relation. She should not be demoralised by doles. Thrust her out of the partnership, cut the loss, relegate her to an allowance.

> "Prudence, profit, patriotism, imperialism, urge men to strengthen the Union. Sentimentalism, indifference and petty appeals to the ignorance of the electorate to 'cut the loss' may induce a nation, that has forgotten the art of government, to pension off Ireland; but Great Britain will not then be rid of Ireland. She will have lost the true allegiance of those Irishmen whose forefathers gave their blood and services freely to create and keep the British Empire, and who proved themselves not unfit to lead the armies and command the fleets and shape the diplomacy and inspire the statesmanship that have made these twin islands a centre of the world's activities. Great Britain may forget; she may forget her own honour, and betray not only them, but her own inheritance of Imperial greatness. Deprived for the moment of the protection of her ancient constitution, outmanœuvred in division lobbies, and obsessed by demagogues, she may become absorbed in the policy of petty cash, and conceive it statesmanship to pension off her sister kingdom as a poor relation. But "[1]—
>
> "A poor relation is the most irrelevant thing in nature, a piece of impertinent correspondency, an odious approximation, a haunting conscience, a preposterous shadow lengthening in the noon-tide of your prosperity, an unwelcome remembrancer, a perpetually recurring mortification, a drain on your purse, a more intolerable dun upon your pride, a drawback upon success, a rebuke to your rising, a stain in your blood, a blot on your scutcheon, a rent

[1] *Quarterly Review*, January, 1912, p. 306.

in your garment, a death's head at your banquet, Agathocles' pot, a Mordecai in your gate, a Lazarus at your door, a lion in your path, a frog in your chamber, a fly in your ointment, a mote in your eye, a triumph to your enemy, an apology to your friends—the one thing not needful."[1]

[1] Lamb, *Essays of Elia*.

CHAPTER IV.

The Claim to Tax Ireland Under Home Rule.

UNDER the Union, all the Three Kingdoms are taxed equally. No matter where their people dwell, they all contribute alike to the common Exchequer, and the Three Kingdoms are entitled to be financed according to their requirements. But the whole of this system is to be swept away and the finances of the United Kingdom are to be completely upset. Every canon of taxation and finance is violated by this Bill. The Executive in administration will be Irish, the Executive in finance will be British. Each will counteract the other. Great Britain will contribute millions for services over which she has no control, while Ireland will be weighed down by a double load of taxes. She will have to pay the taxes of Westminster and of Dublin, and yet she will not control a single tax-collector. Ireland in the future will be taxed in every Budget introduced into the Parliament of Great Britain. It is false to call it the Parliament of the United Kingdom, and it is absurd to think that the Irish people will ever look upon it as anything but a British Parliament when only 42 Irish representatives are to be sent to it.[1]

In the Bill there is nothing said about the right of the Imperial Parliament to tax Ireland after Home Rule, but the White Paper explains that:—

> "The Bill makes no specific reference to the powers of the Imperial Parliament to levy taxation

[1] See *ante*, pp. 62-64.

in Ireland. The provision in Clause 1 of the Bill, that the supreme power and authority of the Parliament of the United Kigdom shall remain unaffected, retains the existing powers of the Imperial Parliament in this regard."

Clause 1 provides:—

"Notwithstanding the establishment of the Irish Parliament or anything contained in this Act the supreme power and authority of the Parliament of the United Kingdom shall remain unaffected and undiminished over all persons, matters and things within His Majesty's dominions."

In Committee the words "in His Majesty's dominions" have been altered to "in Ireland," but the principle remains the same.

If this clause enables the Parliament at Westminster to tax Ireland and asserts a right to tax Ireland, it is based on a re-assertion of the right to exercise the power of taxation in the case of our Colonial dominions, too. Were the Colonials who answered the Home Rule prepaid telegrams sent from Downing Street beseeching approval of this Bill aware of this clause pretending a right to tax all the dominions of the Crown beyond the seas and not only the one across St. George's Channel? Are Canadians aware that the Ministry thus asserted an active right to tax that Dominion and violate the Taxation of Colonies Act of 1778 (18 Geo. III. c. 12)? No constitutional principle, however long established, is free from assault by this Home Rule Government. They are committing the financial interests of the whole Empire to the custody of the Irish Nationalists. In attempting to secure a revenue from Ireland, they imperil the credit of Great Britain. The Irish taxes are to be sent over to the Imperial Exchequer, and then a certain proportion of this Irish money is to be re-trans-

ferred to Ireland and the rest kept in England. Six millions are to go back to Ireland, but before Great Britain gets any Irish money into the Imperial Exchequer, she will have first to raise it in Ireland. At the basis of the whole finance of this Bill lies the fact that the Irish Executive is to control Ireland. Without an Imperial Executive, it is only on the sufferance of the Irish Executive that any taxes can be raised in Ireland. In six years England is to entrust to Irish command a standing army of 12,000 of the finest disciplined force in the world—the Royal Irish Constabulary. Ireland will not pay England any money if she does not choose to do so, and how can England compel her? Every possible element of friction between the peoples of Great Britain and Ireland is patent on the face of this measure. England must remedy Irish "grievances before Supply." If England is involved in war, what has happened before will happen again. In a dispute between England and Ireland on financial matters, Ireland will under Home Rule have the mastery. She will be able to "beat England to her knees" as in 1782, and she will compel her again to renounce all power to tax her or to legislate for her. England has never hitherto arrogated to herself the power to tax Ireland in all her long history, and England has never before sunk millions of Imperial funds on the security of Irish land, and in the confidence of social order and the good government of Ireland. Reckless of the facts of history and the conditions of to-day, this Ministry is going to entrust the whole Imperial credit and the solvency of Imperial State finance to the keeping of the chiefs of the National League and the Hibernian Order.

The Fraud of Safeguards for Great Britain.

If the Irish people say—as they will say—"We will pay no Saxon taxes," how is England to make them? She can but reconquer Ireland and get from her devastation a dividend of dishonour. Is this a safeguard? "Is this Peace, Order, and Good Government?" There are twenty-one millions Imperial money outstanding in Ireland on Local Loans;[1] England has advanced or agreed to advance up to one hundred and twenty millions of Imperial money for the Land Acts and eighty millions more are to be advanced. Under Home Rule the Government is leaving to Ireland the custody of the Empire's credit—and surrendering the financial resources of England to be controlled by the Executive of Ireland. Where is the safeguard which will protect and prop the whole British financial structure from beginning to end of this Bill? The Ministry are going to entrust the financial credit of this great Empire in war and peace to a set of men, not one of whom has ever had the slightest financial experience, and whose whole history from beginning to end has been one long schooling in social rapine, and whose whole political existence has been based on protestations that if ever they get the power they will take care that Ireland shall be entirely separated from British control? That is the mad finance of this mad Bill. Its scheme has not only been condemned by the very experts whom the Cabinet called in to advise them, but it is also emphatically condemned by the only collection of Nationalists in Ireland who have the slightest practical authority to speak on a question of finance—the General Council of the County Councils of Ireland.

[1] Statistical Abstract of United Kingdom, 1911, and Report of Local Government Board for Ireland 1911.

The Government have only gained the approval of the packed Irish convention organised by Mr. Joseph Devlin, where those who attempted to suggest amendments were told they must keep them in their pockets. This approval was the mere mechanical expression of the National League and Hibernian Order delegates, but it is used in Great Britain and abroad for advertising as welcomed by Ireland this great imposture and this great impossibility.

Some Problems of War Finance.

Power is reserved indeed from the Irish legislature to make peace or war, but Acts of Parliament cannot withhold from the Irish Parliament the right to declare that a British war is unjust and an outrage on humanity. Britain cannot compel an Irish Executive to raise war taxes if the Irish Parliament refuses to contribute anything. A declaration by the Irish Parliament that a war against Germany or France or any other Power was unjust would re-echo against England round the world. If the Parliament in Dublin denounces the British policy, would that in international affairs be a weakness to England or a strength? Can England afford to be flouted? Could not the Irish Government stop recruiting? Could it not so exercise its Executive power that not a single man from Ireland would ever again join the regiments and fight side by side with Englishmen, Scotsmen, and Welshmen? Britain is entrusting them with the control of the Imperial Post Office—every Federal Power retains control of the Telegraph and Postal system—but this Cabinet commits to the Irish Executive the command of the Fleet's communications. The control of English Naval strategy will be subjected

to the Chiefs of "The Board of Erin."[1] Ireland is the centre of electric communications between the two hemispheres, and England surrenders its command to the allies of Patrick Ford!

Ireland Tied Down to Free Trade.

The Bill is designed to bind Ireland down in perpetuity to the existing system of Free Trade. The Irish people have suffered severely by Free Trade. The "Curse of Cobden" has replaced in Ireland the "Curse of Cromwell." Ireland, under the Bill, gets power to impose a certain amount of Customs and has "a free hand in the case of Excise." It will require but little ingenuity to upset the whole of the British commercial obligations to other countries and cause infinite embarrassment to British trade at home and abroad. To quote an article[2] from the *Financial Review of Reviews* commending the Bill from the Liberal standpoint:—

> "Two main principles dominate the Financial Scheme—
>
> (1) The Irish Legislature is to be restrained from taking any step which would embark Ireland on a Fiscal System inconsistent with that which is at present favoured by the majority of the Imperial House of Commons. No Irish Legislation is to be carried through by the subordinate Legislature which will be opposed to the doctrines of Free Trade.

---

[1] Mr. Joseph Devlin, M.P., the Secretary of the United Irish League is the President of the Board of Erin, which is central controlling body of the Ancient Order of Hibernians or Molly Maguires in its political aspects. For the history and affinities of the Ancient Order of Hibernians, see *Home Rule: What Is It?* By A. W. Samuels, p. 100.

[2] *Financial Review of Reviews*, July, 1912, p. 5, by Mr. Henry A. Watt, M.P., and Mr. T. Hynes, LL.D

(2) A financial inducement is to be held out to the Irish Government to effect economies in the expenditure on Irish Services."

The inefficiency of the latter inducement has been criticised already. The article proceeds:—

"While Customs duties are levied only for revenue purposes; that is, while any imported article subject to a Customs duty is, when produced within the kingdom, made liable to a corresponding Excise duty, no direct interference with the principle of free trade is possible. The home product competes in the home market with the foreign article on terms of fiscal equality. The Bill aims at securing that this shall be the case under the new Government in Ireland by providing, in the first place, that the Irish Parliament shall not have power to impose or charge any Customs duties, whether on import or export, on any article unless that article is for the time being liable to a Customs duty levied as an Imperial tax. Again, with the exception of the duties on beer and spirits, the Irish Parliament may not increase by more than ten per cent. the Customs duties imposed by the Imperial Parliament. And further, while the power of the Irish Parliament to increase Customs duties is thus limited, and while it may, with the exception of certain Stamp duties, reduce any tax levied in Ireland, there is also placed on its powers the general restriction forbidding it to make any variation of Customs or Excise duties, the effect of which would be to cause the Customs duty on an article of a class produced in Ireland to exceed the Excise duty by more than an amount reasonably sufficient to cover any expenses due to Excise restrictions on the manufacture of the article.

"In this way adequate provision appears to us to be made to guard against any direct encroachment in Ireland upon the free trade system of finance to which the Imperial Parliament is at present devoted."

British Grasp of Irish Taxation.

But the Bill goes much further. In the case of the Imperial taxes such as Customs (other than those on Spirits and Beer), Income Tax, and Death Duties, which it enables the Irish Parliament to augment, it provides (sect. 17) that any increase of yield above ten per cent. shall not go to Ireland, but be retained by Great Britain. This is a violation of the rights of the people of Ireland impossible under the Union, and unheard of before in British history and inconceivable under any hitherto imagined phrase of British, Irish, or Colonial Constitution. The Parliament at Westminster, which is to be no longer the Parliament but the Suzerain of Ireland, delegates to an Irish Parliament the power to tax the inhabitants of Ireland, but denies to it the power to collect its own taxes; it gathers those taxes through British tax-gatherers, carries them into its own Treasury, and then grasps for British purposes any surplus over ten per cent. of the yield of Irish additions to Imperial taxes.

> "This method of Great Britain supertaxing Ireland through her own Parliament will wear to the 'modern eye' in Ireland the garb of tyranny. It will be regarded as the arrogation of a power not merely to levy taxes, but to levy tribute, too."[1]

How can the Irish or British aspects of the Financial Clauses of the Home Rule Bill be expected to foster peace and harmony, conciliation and contentment, between the British and Irish people. Were there no such fact as Ulster to be taken into account, yet it is certain that the Fiscal provisions of this Home Rule Bill will infuriate the two Islands. A Customs cordon

---

[1] See *Quarterly Review*, July, 1912, p. 6.

manned by English officials will be drawn between Great Britain and Ireland, and commodities will be hampered and handicapped in transit to the British market, where 80 per cent. of Irish trade finds its destination, while the whole financial powers of the Irish Parliament given because "Ireland is a nation once again" are dominated not merely by the Parliament at Westminster, but by the new Pentarchy—the five officials—that form the Joint Exchequer Board, which is so constituted as to give a permanent majority to British interests. Is it possible that Ireland can prosper under such a scheme?

Irish Illusions.

The deluded Irish people are full of wild imaginations about the splendid bounties that will be given to foster Irish trade and manufactures under Home Rule. Mr. Maurice Healy, in the Second Reading Debate, stated truly:—

> "The first Irish Ministry will have a most unpleasant time of it, because the whole course of our proceedings in Ireland has necessarily taken the form of magnifying to all people the great and good things which will follow after we have got Home Rule. We are Home Rulers, and we are bound to tell our people what is good for Ireland, and naturally we created exaggerated expectations on the part of our people, and if we were to tell them that a great blessing which will result to Ireland will be that we shall have power to tax ourselves as much as we like, it would create somewhat of a revulsion of feeling. The average Irishman, as the result of a long course of oratory of a flamboyant character, has begun to believe that Home Rule will create a sort of heaven."[1]

[1] Parl. Deb., 1912, Vol. XXXVIII., p. 43.

The story goes that a prominent Irish Nationalist, on being congratulated on the probability of his being in the first Irish Ministry, replied, "Oh, no. I am not in a hurry. The first Ministry will be all assassinated; I'll wait for the second." Unquestionably there will be bitter disappointment and disillusion and fierce antagonism against England when the Irish people find out how they have been cheated by the Home Rule Bill.

The Liberal authors of the article in the *Financial Review of Reviews*, on Home Rule Finance, say:—

> "It is also undoubted that, having regard to the limitations imposed by the Bill on the powers of the Irish Legislature, the Irish Parliament would not be able indirectly to adopt a system of protection by the grant of bounties to home growers of articles liable to duties of Customs and Excise.
>
> "Such a question might become one of practical moment in the very likely event of the movement for the cultivation of beet making serious advances in Ireland. The position would then be identical with that in which the cultivation of tobacco was in Ireland rather less than ten years ago, and we see no reason to think that the Irish Parliament will, under the Bill, be competent to extend to the beet industry the financial encouragement shown by the Imperial Government in 1904 to the infant tobacco growing industry. In that year an arrangement was made whereby a refund of one-third of the existing duty on tobacco was granted to some selected growers of tobacco leaf in Ireland who undertook to carry on the experiment of tobacco-growing subject to the approval of the Irish Department of Agriculture. This refund, which amounted to a shilling per lb., was paid to the actual grower of the leaf upon application made by him to the proper Revenue official. The rebate continued to be made in this way up to the Finance (1909-10) Act, 1910, when payment made from a special grant allotted for the purpose to the Irish Department of Agriculture was substituted. Should the event

which we have supposed arise, Irish farmers desirous of growing beet must be expected to show some impatience when they find that the Home Legislature is not competent to extend to them the same treatment which the growers of tobacco were favoured with at the hands of the Imperial Government, and cannot grant a rebate of the sugar duty in their favour. Be this as it may, the instance is another proof of the rigid or even pedantic adherence of the financial system of the Bill to the principle of free trade."[1]

The history of the crushing of Irish trade by England under the Mercantile system of the eighteenth century is to-day one of the inspiring energies of the Home Rule movement in Ireland. The devastation of Ireland by that system was followed by her devastation by Cobdenism. The Unionist policy of Constructivism has reversed these cruel and mistaken policies, but under Home Rule Constructivism either by the British or Irish Parliament will be hopeless. A dreary prospect of draining taxation and manacled trade awaits Ireland. The very proceeds of her super-taxation imposed by her own Parliament to try and meet her own needs is to be captured, and everything over ten per cent. of the yield extracted from the over-taxed Irish citizen is to be extorted by England. Is it supposed to be possible that an Irish Parliament given any control over Customs will be permitted by the Irish people to rest from tripping and harrassing, at home and abroad, English Commerce and Imperial Trade Conventions? Nothing can stop the Irish Parliament from declarations and resolutions and denunciations of British tyranny.

---

[1] See reply to Mr. Lees Smith—Parl. Deb., Vol. XXXVII., p. 919. See reply to Mr. Amery by the Postmaster-General as to attempts at evasion of these restrictions being *ultra vires*—Parl. Deb., Vol. XXXVIII., p. 391.—*Financial Review of Reviews*, July, 1912, p. 6; and Mr. Amery's criticism on Second Reading Debate, quoted post p. 90,

> "Suppose Ireland finds she cannot carry on without taxing British and Foreign products, and puts on Import Duties in spite of the provisions of the Act of Disunion, how will Britain enforce her protest?"[1]

Suppose Britain tries to retaliate by withholding the six millions, Ireland will refuse to allow her taxes to be collected, and can withhold the purchase annuities payable by the tenant farmers. Suppose Ireland, to obtain concessions from Britain and freedom for her foreign trade, threatens to withhold repayment of the millions of Imperial loans she is now enjoying the benefit of, how will Britain force her to terms? Is it not clear that Britain's credit cannot be left imperilled by refusing concessions to Ireland which all the Colonies enjoy?

The words of Swift will be often recalled and the savage indignation which lacerated his heart will embitter the Irish people whose nascent efforts in Industrialism will again be throttled by the toils of British Commercial restrictions in which they will be enmeshed by this Home Rule Bill:—

> "The fable in Ovid of Arachne and Pallas is to this purpose. The goddess had heard of one Arachne, a young virgin very famous for spinning and weaving. They both met upon a trial of skill, and Pallas, finding herself almost equalled in her own art, stung with rage and envy, knocked her rival down, turned her into a spider, enjoining her to spin and weave for ever, out of her own bowels, and in a very narrow compass. I confess that from a boy I always pitied poor Arachne and could never heartily love the goddess on account of so cruel and unjust a sentence, which, however, is fully executed

---

[1] See *Sixty Points Against Home Rule*, by T. S. Frank Battersby, K.C., p. 36. (Unionist Associations of Ireland, 109 Grafton Street, Dublin).

upon us by England, with further additions of rigour and severity. For the greatest part of our bowels and vitals are extracted without allowing us the liberty of spinning and weaving them."[1]

---

[1] *Swift's Political Tracts* (1905 Ed.), VII., 25.

CHAPTER V.

Land Purchase and British Finance.

CONSIDER once again, from the British point of view, Land Purchase in Ireland.[1] Land Purchase only is reserved, but the administration of the Irish Land Acts as apart from the Irish Land Purchase Acts is not reserved; the fixing of fair rents and the whole mass of administration involved in that portion of the Land Legislation, both by the Land Commission and the Congested Districts Board, is left to the Irish Parliament. This department like other departments is to be hewn in two. Half of it is to be engaged in Land Purchase, and the other half in the matter upon which Land Purchase hinges. Land Purchase depends upon the amount of the rents fixed by Sub-Commissions appointed from year to year by the Irish Executive. This in future will be manned at the direction of Mr. Dillon, M.P., Mr. Devlin, M.P., and Mr. John Fitzgibbon, M.P. The Liberals are ready to throw the landlords to the dogs. But the mad finance of this Bill will throw along with them British finances to the dogs. Rents, under the operations of Sub-Commissions appointed by an Irish Executive, responsible to an Irish Parliament elected by Irish peasants, will be cut down to "the prairie" value, and the future purchase prices will be based upon these unfairly reduced rents. The man who will purchase on the new system will buy at

[1] See Note p. 49.

from 30 to 50 per cent. lower than those who have already purchased under the old. Is it to be imagined that the many men to whom there have already been advanced British millions will be prepared to pay annuities at a far higher rate than those who come in under Home Rule? They will do nothing of the kind. They will strike against the old scale of annuities and refuse to pay more than their neighbours. And the credit of these Imperial millions will be broken and with them the whole fabric of Imperial credit. If England gives up the control of the Executive power in Ireland, as this Bill proposes, it will be impossible in case of conflict to enforce repayment of the Land Purchase annuities. The Irish Parliament will back the Irish farmers who will elect the members, and the Irish Executive can completely paralyse any attempt by the British Executive to assert itself. There would be no way of enforcing judgments for sale of the lands on account of non-payment of the annuities; no one would dare to buy: his life would not be worth a week's purchase. The British Government could not put in emergency men to work the farm of a hostile community and to reap and sow and till and graze them for the benefit of the British Exchequer. The mere contemplation of such a struggle would immediately injure the credit of the Imperial finances, and portend National disaster. And yet this Home Rule Bill will entrust this tremendous power to a Parliament which must be brought into frequent antagonism with the Imperial Parliament and the Imperial Exchequer in relation to the most difficult and most passion-provoking element in Irish politics—the Agrarian Question.

"Is Ireland to lose this credit and Britain to abandon this control because the Home Rule eighty

members hold for a moment the balance of power in the party game in the House of Commons? What will be the security for these British millions advanced for Land Purchase and as Local Loans in Ireland when an Irish Executive is controlled by an Irish Parliament elected by Irish tenant farmers and Irish Urban ratepayers—the debtors to the British Treasury? Nothing but an Irish I.O.U. A British loan to an Asiatic or South American State is safer far, for in such a case there is no compunction in enforcing payments, if need be, by war and occupation; but to go to war with Ireland in order to enforce repayment from a peasantry trained by the methods of the Land League agitators, who are to be turned by Home Rule into Ministers and statesmen, will be a task no less unprofitable in result than impossible in accomplishment. You cannot take out a summons against a people or call out the *posse comitatus* of a community which is itself the defendant in the execution."

It may be replied that England can stop her subventions to Ireland, and that this will be her security; but under this Home Rule Bill England has, in the first instance, to collect all the taxes in Ireland and bring them into the Imperial Exchequer. As the Postmaster-General stated, it is Irish money, the proceeds of Irish taxes, that supplies the Transferred or Re-transferred Sum.[1] As for the balance over and above Irish Revenue that will have to be found by the British Government. A National strike against repayment of Land Purchase and Local Loan advances already made would be more than a set off and the Imperial credit would be shaken to its foundation.

"The credit of England, Ireland, and Scotland has hitherto been interdependent. They have had a

[1] See post p 221.

common purse since the Union and more than a century of mutual commitments. No colony and no dependency ever stood in such a relation to the United Kingdom as that in which each member of the United Kingdom stands to the other. The failure of Ireland to meet her obligations voluntarily or involuntarily will involve loss to every individual Englishman or Scotsman who holds an investment in any of the Three Kingdoms. If England goes to war when Ireland has Home Rule the Irish Executive may, without arming a man, bring England to humiliation by stopping the payment of the land annuities, and shaking down the credit of Guaranteed Land Stock, and with it that of all other Government Securities. War is carried on by credit. Home Rule Ireland has only to threaten to stop payment and British credit falls, and a blow is dealt vaster in its effects than a great disaster on the field of battle."[1]

The Danger: The "Irish Felon" and a General State Tax.

But the British people had better, before they hand over the Executive and Legislative power of Ireland to Separatism, take heed of the origin of the Land League agitation and the Home Rule campaign. James Fintan Lalor, a seditious and most able writer of the Young Ireland Party of 1848, has inspired the whole movement. His teaching, adopted by the Fenians Devoy and Davitt and at their instigation by Parnell, brought into alliance the agrarian and Nationalist elements. Lalor's teaching was "The reconquest of Irish liberties depends on the reconquest of the land. The mode of reconquest is to refuse payment of rent and resist process of ejectment. Link Repeal to the land question like a railway-

[1] See *Quarterly Review*, January, 1912, p. 304.

carriage to an engine." Lalor was the Bentham, the philosopher, that inspired the doctrines and economy of the new Separatism. His principles can be applied against the payment of the State purchase annuities just as they have been applied against the payment of landlord's rents. The basis of his advice to attack the landlords is that the English Government, under former conditions, was invulnerable against a strike against rent. When he enunciated the axiom—

> "The land question contains, and the legislative question does not contain, the materials from which victory is manufactured,"

he did so because—

> "In Ireland, unluckily, there is no direct and general State Tax, payment of which might be refused and resisted."

Archbishop Croke, of Cashel, who was stated in *United Ireland* of 27th November, 1886, to have first broached the idea of the "Plan of Campaign" in 1848 with John Mitchell and James Fintan Lalor, wrote to the *Freeman* on 17th February, 1887, stating:—

> "I opposed the 'No Rent Manifesto' six years ago because, apart from other reasons, I thought it was inopportune and not likely to be generally acted on. *Had a manifesto against paying taxes been issued at the time I should certainly have supported it on principle.* I am precisely the same frame of mind just now."

The "No Rent Manifesto" started the Plan of Campaign in 1881, the whole design of which had been accurately plotted out by Fintan Lalor in 1848 in the *Irish Felon.* The Archbishop urged that a general strike against State taxes would be a better plan than a strike against rent.

The condition of a great State ownership of land did not exist then, but the warning has been given. Lalor's teaching has been adopted, has been worked successfully against rent, has received clerical sanction for its extension to taxation, is primarily applicable to a strike against the tenant purchaser's annuities payable to the Imperial Exchequer, is instinct with Irish-American Fenianism and Nationalist Separatism, and could, the moment Executive power was given to an Irish Legislature, break the Imperial credit which is now pledged as guarantee for £120,000,000 of Irish Land Stock.

As long as the United Parliament and Imperial Executive govern Ireland, the tenants' annuities are perfectly safe, but if the British people hand over Legislative and Executive powers to direct Irish affairs to an Irish Parliament representing the Democracy of Ireland, then assuredly the £120,000,000, for which the Imperial credit already stands guaranteed, and the £80,000,000 more required to complete the transfer of the land will be an imperilled security, and the shock to the stability of the funds of the British Government will ruin the finances of the Empire. The only safety for the advanced millions lies in the maintenance of British law, British power, and British credit, under the United and Imperial Parliament.

In 1848 there was "no direct and general State Tax" in Ireland; there is to-day interest on £120,000,000 representing such a tax. The State annuities can, under this Home Rule, be struck against as the landlords' rents were struck against, and with even greater success. An Imperial Executive was then in control: an Irish Executive will control Ireland under Home Rule.[1]

[1] See *Home Rule; What Is It?* By A. W. Samuels, p. 37. *The Continuity of the Irish Revolutionary Movement*, Brougham Leech, LL.D.

CHAPTER VI.

Duplication of the Civil Service.

THERE has been a mass of wild misrepresentation circulated about the Civil Service Boards in Ireland—they are at the outside but seventeen in number.[1] For the

[1] The Irish people have just as much voice in the management of the Irish Public Departments as the British people at large have in the control of the essentially British Public Departments in London.

The Irish Civil Service Departments are in reality only seventeen all told. The separate and distinct Departments concerned with Irish Civil Administration are these, namely—(1) Chief Secretary's Office; (2) Local Government Board; (3) Board of National Education; (4) Board of Intermediate Education; (5) Land Commission; (6) Congested Districts Board; (7) Board of Public Works; (8) Department of Agriculture and Technical Instruction; (9) Royal Irish Constabulary; (10) Dublin Metropolitan police; (11) Prisons Board; (12) Reformatory and Industrial Schools; (13) Supreme Court of Judicature; (14) Registrar-General; (15) Public Record Office; (16) Valuation and Boundary Survey; (17) Board of Charitable Donations and Bequests.

It will be noted that only seven "Boards" are included in these seventeen Departments. Of these three are Paid and four Unpaid—the latter being the Boards of National and Intermediate Education, the Congested Districts Board and the Board of Charitable Donations and Bequests.

Every one of these Boards or Departments has its counterpart in England except the Land Commission, Congested Districts and Constabulary, and if Home Rule were granted to-morrow they would all have to continue unless there is to be no Civil Service under Home Rule in Ireland.

Another egregious mis-statement that does duty for argument with the Redmondites, is that of Government officials assessed for income-tax there are in Scotland 938, and in Ireland 4,560, the salaries being, respectively, £315,000 and £1,435,000. It is founded upon a blunder as to the meaning of the tables of assessment to income tax of Government officials. Irish officials are paid from Dublin and income-tax is deducted in Ireland. Scotch Civil Servants are to a great extent paid in London and assessed in the Metropolis, and would be included in the English and not in Scotch assessments. It appears from a return made in Parliament to Sir John Lonsdale, 22nd February, 1911, by Mr. Hobhouse, that of these 4,560 "officials" 1,622 are clergymen of the Church of Ireland; 341 are officers of the Bank of Ireland, 49 are employees of the Dublin Port and Docks and Irish Lights Board, 202 are superannuated pensioners, and 178 Petty Sessions Clerks! What a preposterous position the Home Rule cause must occupy when the economies of the future Ireland are to be constructed on the basis of cutting down the salaries of a couple of thousand

purpose of the Home Rule campaign the monstrous fiction has been reiterated that there are sixty-seven of them; but under Home Rule many Departments must be duplicated. Who, again, is to advise the English Government on Land Purchase, and who in England is to administer it? And who is to advise on the other branches of administration? And who to answer in Parliament at Westminster? Who is to deal with that most important service, the Congested Districts Board, which has committed to it the whole fortunes of the West of Ireland seaboard? Consider who are the men who under this Radical regime are now administering it. At a meeting, on 18th April, 1912, of the Surveyors' Institute in Dublin, one of the members, protesting against the personnel and methods of the newly-constituted Congested Districts Board, said that:—

> "Of the seven members, irrespective of paid members, two are Roman Catholic Bishops, two

---

bank clerks, office clerks and clergymen of the Church of Ireland. And yet this is put forward and reiterated as one of the strongest arguments for Home Rule. It was originated by Professor Kettle, it appears again and again in his writings, it was used with all solemnity by Mr. Redmond in his business address to business men at the City Liberal Club, it was enshrined in Mr. MacVeagh's "Nutshell," consecrated by Mr. Churchill's Preface, has been repeated by other ministers on public platforms, and enables Mr. James Parker, M.P., to reply thus to his own satisfaction to the brilliant and closely-reasoned exposure of the Financial Impossibilities of the Bill made by Mr. Amery, M.P., on the Second Reading:—

"The Hon. Member (Mr. Amery), asked the House in what way they were going to effect economies under the conditions of this Bill. I do not pretend to know a great deal about the Government of Ireland, but I can suggest to the Hon. Member one way in which economies can be effected. I believe there are at present sixty-seven different Local Government Boards in Ireland with their separate offices and officers; and I submit that an Irish Parliament, managing its own affairs, would sweep a lot of these out of existence, and do the business a great deal better at a much less cost."

Returns in Parliament have frequently exposed this misrepresentation—See Parl. Deb., 1911, Vol. XXI., p. 2044, Vol. XXX., p. 1954; and give a comparison with the nearly equal numbers of Scottish officials, Parl. Deb., 1912, See "Home Rule: Its Financial Aspects," by A. W. Samuels—*Financial Review of Reviews*, March, 1912; *The Home Rule Nutshell Examined*, p. 17, Unionist Association of Ireland; *Cambray on Irish Affairs*, p. 12.

See post pp. 124-127.

> Roman Catholic priests, one a Nationalist member of Parliament, Mr. Fitzgibbon, whose denunciation of landlords has been even more extreme than Mr. Dillon's."

Is England to pay for this system in the future, and is she to entrust her money and hand over all semblance of control over such a body? What law officers are to advise the British Government against the Executive in Ireland, and how is England to enforce for one moment any regulations against the priests and Nationalist members such as now man the Congested Districts Board and will man many another Irish Board in the future of Home Rule?

Post Office Collection of Taxes and Constabulary.

The Post Office in Ireland is carried on at a loss of nearly a quarter of a million a year. Under Home Rule, when handing over the Post Office to Ireland, Great Britain is to retain the Savings Bank and Insurance business and Old Age Pensions. Every Post Office official is to be cut in two. As far as he deals with letters and telegrams, he is to be Irish, but when he deals with Banking and Insurance and Pensions and checking Customs Duties for the Parcel Post, he is to be English. Does the Cabinet think Ireland is going, in the case of this unremunerative Department, to pay altogether for officials who will be doing English work, when the Savings Bank business—the most profitable part of the Service in Ireland—is reserved for British control? They must either duplicate officials or halve the expense; whatever way it be, it must increase the cost and swell future Irish deficits. Look at another "Reserved Service"—the Collection of Taxes—it seems so simple on paper. But it means

handing over to Ireland the Valuation Department. How will Britain collect Land Taxes under the Georgian Budget? The valuation of Ireland for all taxation depends on that Valuation Office—Form IV. has not begun to operate yet in Ireland. The Irish Executive has only to say, "In the interests of economy we will not appoint any more valuers," and increment duties will assume rapidly a non-development aspect.

The Royal Irish Constabulary in six years will pass automatically to Ireland. What is to become of it in the interregnum? Who are the police to take orders from? Is it from the Irish, or the British Executive? Supposing resistance is anticipated on account of the Imperial Government enforcing a sale for non-payment of a purchase annuity, and it becomes necessary to send four or five hundred police down to Connemara; what is to be done? Will telegrams speed from Westminster and ask for permission to send down the police, and beseeching the Irish Executive to come to the assistance of the tyrannous British Treasury? The whole thing is a tissue of absurdities. England must either govern in Ireland through a new Imperial police or else give up the police at once, and acknowledge her impotence. Who is to answer in Parliament for the Royal Irish Constabulary? Are criminal offences against Imperial Officers to be under the direction of the Public Prosecutor in England, or the Attorney-General in Ireland, or is a third functionary to be created —the Anglo-Irish Attorney-General? The Bill is silent, and its silence proclaims its nonsense. The same system of false Federalism runs through this measure from beginning to end.[1]

---

[1] For further criticism of the effect of the Bill on these Services, see post pp. 162, 192.

The Joint Exchequer Board.

There is above all a gigantic constitutional innovation unheard of before—the Joint Exchequer Board. The imaginations of Orientalism have been outrun in the constitution of such a body as this. Of this Exchequer Board two members are to be appointed by "The Treasury," two are to be appointed by the "Irish Treasury," and one, the Chairman, is to be appointed by His Majesty the King. "The Treasury," according to legal definition (52 & 53 Vic., c. 63, sec. 12) is the Lord High Treasurer. But he is Treasurer both of Great Britain and of Ireland. The Irish Treasury cannot come into being until after Home Rule. This Exchequer Board of five that is to determine what is to be the financial provision for Ireland under Home Rule will not be in existence until after the Act has been passed and an Irish Ministry has been formed. Therefore neither Great Britain or Ireland can know what their financial position will be until after their fortunes have been committed to the discretion of this Pentarchy. Was there ever such caprice in legislation or gambling in National destinies? The key of the Kingdom's finances is to be handed to these five men. Their discretion is to command. They are to say what and when and how Imperial Revenues and the Revenue of Ireland are to be calculated and checked, and the future Parliaments of two Kingdoms are to submit to their dictation. What is to happen in the Parliament of Ireland if they decide against Ireland, and in the Parliament of England if they decide against England—are these Parliaments to be dumb?

Mr. Lloyd George stated in the House of Commons that the Bill does not contemplate that—

"The decision of the Joint Exchequer Board on

> the question specifically referred to it should be the subject of review by either the Parliament of the United Kingdom or the Parliament of Ireland, though under Clause I. of the Bill the Imperial Parliament might review it if they thought fit."[1]

But suppose that the Irish Parliament passed a resolution approving of the decision of the Board which the Imperial Parliament attempted to overrule, what would be the measure of the violence of the conflict which would arise? It would be said, there is a British majority on the Board, and it has decided in favour of Ireland, and the British Parliament is acting in violation of every constitutional right of Ireland and of all ideas of international honesty in assuming to use a Parliamentary prerogative as an engine of tyranny and extortion. Ireland has but a maimed, impotent, and inadequate representation at Westminster, and Britain is using this fact as a means of wronging her. Sir Robert Finlay has pointed out that the Bill really deprives the Imperial Parliament of all moral authority to override a decision of the Irish Parliament. It must deprive it also of all moral authority to override a decision of the Joint Exchequer Board favourable to Ireland.

> "If the Imperial Parliament is to have the right to override the decision of the Irish Parliament in Irish matters there must be an adequate Irish representation in the Imperial Parliament. When a Parliament is created to deal with Irish National affairs, and when Ireland is shorn of nearly one half of its proper representation in the Imperial Parliament, the Imperial Parliament cannot claim and exercise the right to overrule the decisions of the Irish Parliament."[2]

---

[1] Parl. Deb., 1912, Vol. XXXVIII., p. 1235.
[2] Parl. Deb., 1912, Vol. XXXVII., p. 1885.

Therefore, practically the discretion and arbitrament of the Joint Exchequer Board is to command the finances of the Empire and of Ireland. And yet this body that cannot be mastered by either Parliament is liable to be controlled by *certiorari* and *mandamus* and *prohibition* in the King's Bench in England or in Ireland![1]

The Climax of Absurdity.

But the climax is reached in Clause 26 of the Bill. The great Parliament of England that has grown through a thousand years—into which have been absorbed the ancient Parliaments of Scotland and of Ireland, which for over 100 years has governed and directed with Sovereign powers the British Islands and the Dominions of the Crown—is to transfer its destinies to this Pentarchy; and if the Board decides that in three consecutive years the total Revenue received from Ireland from all taxes, Irish and Imperial, has been sufficient to meet the total charges for Irish purposes of all Services, "Reserved" or "Transferred," then it is to report the fact with a view to the revision of the Financial arrangements of the Home Rule Bill; and thereupon a marvellous thing will happen. To "The Parliament of the United Kingdom" shall be summoned, out of the Commons House of Ireland, in some manner undisclosed and by some method of selection unexplained, some number of members undefined, but calculated in some way undiscovered on such a basis as will make the representation of Ireland equivalent proportionately with its population to that of Great Britain, and these delegates taken out of the Irish House of Commons are when transferred to Westminster to be "deemed to be

[1] See Mr. Asquith's reply—Parl. Deb., Vol. XXXVIII., p. 786.

members of the Commons House of the United Kingdom for the purpose of such revision"; and this grotesque revolution, unheard of heretofore in any constitution, is to be brought about because, under the scheme of this wonderful Home Rule Bill, in the words of the White Paper explaining its Financial provisions:

> "The Bill does not attempt to enact the modifications which may then be desirable, because it is 'impossible now to foresee'—
>
> "What services may remain at that time as Reserved Services;
>
> "What loans may have been contracted during the intervening years; and
>
> "What changes may have been made in the rates of taxation."

Thus this Bill "for the better government of Ireland" absolutely destroys the immemorial constitution of Parliament.[1] Was there ever such an outrage on the Constitution and on common sense? What becomes of the whole system of Party Government? Are Ministries to rise and fall under the dictatorship of this group of five officials? What has been the measure of the subjection of Mr. Asquith and his Cabinet to Mr. Redmond when he bid them yield to this? Is it not a humiliation unheard of and undreamt of before that any Government should dare to propose to hand over these Kingdoms and the Empire to such a chaos? The future of Home Rule reveals for England and Scotland and Ireland a seathing mass of antagonisms and frictions and embittered recriminations. Nothing will be final. It is a measure for the misgovernment and disorder of the Three Kingdoms, and for the ruin and degradation of the Imperial Parliament. And when the Five Dictators

[1] Mr. Arthur Balfour, Parl. Deb., Vol. XXXVII., p. 2065.

sound the last trumpet to summon the New Assembly and all are gathered together, what is Ireland's destiny? Ireland that has been all along taxed with the full weight of every British tax—and taxed, too, with the taxes laid upon her by the Parliament of Ireland—what is the destiny of Ireland thus twice weighted? Does relief await her? Is it emancipation from the exceeding heavy burden of the years? What awaits her whose people have all along been paying more than the people of England and of Scotland into the Imperial Treasury? This is what awaits her, and This is what is designed for her by Those her chosen statesmen who, in their own words,

> "Are, if any British Minister or any British Party be false to his pledges, able within one month to drive him from office."

Who have, as they say, "Got them in their power."[1] This is what they have planned for Ireland as the crown of all things. That this so-called Parliament of the so-called United Kingdom shall revise the Financial Provisions of the Act so as to secure for the future

> "a proper contribution from Irish Revenues towards the Common Expenditure of the United Kingdom and extending the powers of the Irish Parliament and the Irish Government with respect to the imposition and collection of taxes"![2]

Taxes-upon-taxes-upon-taxes! British taxes, Irish taxes, Imperial taxes, Indiscriminate British taxes, with taxes added to these: and to these equal British taxes and Irish super-taxes is to be added an unequal Imperial super-taxation not borne by England or by Scotland. The Suzerain Parliament of Westminster is, then, to

---

[1] Mr. John Redmond at Buffalo, 27th Sept., 1910:—"We will make them —We have got the power to do it —We will make them toe the line."

[2] Clause 26 of Bill.

tax her as before, and it is to grant to the subordinate Parliament of Ireland larger powers that will help them to super-tax her more than even theretofore; and as the price of this added power, there will be wrung by both these Parliaments from this hapless, hopeless land this third supply, for out of all the taxes that she has been paying already, not one pound is to be taken as her "proper contribution" to the "Common Expenditure of the United Kingdom."[1]

Against this ruin Ulster will fight. What Irishman who is allowed to know this Bill—what honest Englishman who can comprehend it—will say that Ulster is not right?

[1] See *ante*, p. 4.

CHAPTER VII.

The Provisional Conclusions of the Primrose Committee.

THE Primrose Committee reviewed the Finance of the Bills of 1886 and 1893 and of the Irish Council Bill of 1907, and arrived at the following conclusions:—

"(i.) That the "True" Revenue of Ireland cannot, under existing circumstances, be ascertained with precision, and that special machinery would have to be set up if an exact determination of its amount was required.

"(ii.) That nevertheless, *if taken merely as an estimate*, the figures of the "Contributed" or True Revenue given in the Treasury White Paper are sufficiently approximate to warrant the statement that the expenditure of Ireland in 1910–11 exceeded its Revenue by more than £1,000,000 (while for the current year the excess will be more than £1,500,000).

"(iii.) That the Revenue "as collected" in Ireland would not be a safe standard by which to determine the funds to be placed at the disposal of an Irish Government.

"(iv.) That the "contract system" cannot, under any form, be recommended as a method of providing an Irish Government with funds.

"(v.) That any settlement should leave as little as possible open for revision at a future date.

"(vi.) That the change that has taken place since 1886 and 1893 in the relations between Irish Local Expenditure and Irish Revenue is of extreme significance in its bearing on the present inquiry."

It is important to contrast many of the conclusions of this Committee which advised the Cabinet with the Bill.

Many of their most important recommendations are ignored and many more contradicted in the Bill.

The Bill Contradicts the Committee's Report.

(I.) The Committee reported that:—

> "*As the local Expenditure of Ireland already exceeds her local Revenue, it could not be contemplated that in making arrangements for granting her political autonomy she should be saddled with liabilities that would impose on the Irish Government the obligation to make an increase of taxation its first legislative measure.*"

The scheme of finance of the Bill renders it absolutely necessary that the Irish Parliament shall at once proceed to increase the taxation of Ireland.

(II.) The Committee reported:—

> "*We come now to the really crucial question on which we have been invited to advise. . . We have come to the conclusion that there is only one way in which all the requirements of the situation can satisfactorily be met, and that is by conferring on the Irish Government full powers over the raising of revenue as well as over expenditure in Ireland, subject only* (a) *to such reservations as may be necessary to guard against the raising of tariff questions that might prejudice relations with foreign powers, or trade and commerce between the two kingdoms, and also* (b) *to such provisional arrangements at first starting as may be required to balance the Irish budget. . . . No other arrangement offers promise of an harmonious or a convenient settlement, and the advantages of the proposal far outweigh the objections to it. To us the advantages appear to be real, practical and of a weight overwhelmingly preponderant: the objections to be mainly sentimental.*"

The Bill gives no power to Ireland of raising Revenue except by way of super-taxes or new and additional

taxes. The Financial Executive is altogether British. As to expenditure Ireland is to have no such power of expenditure as is recommended.

(III.) The Committee reported:—

> "*The procedure we recommend is one that would at once place the Irish Government in the position in which it must eventually stand of being solely responsible for the administration of Irish services. It does not seem to us to be desirable that there should be a probationary period, during which the cost of particular services, and, therefore, the responsibility for the regulation of those services, should be divided between the British and the Irish authorities. Provisional arrangements of that character would not be a satisfactory method of approach to the position which ought to be reached at the earliest possible date, that of an autonomous Ireland self-contained and self-sufficing so far as its own local administration and finances are concerned.*"

The Bill contradicts these conclusions. Its scheme is divided responsibility, divided services, provisional arrangements, dual finance, semi-independence, and non-finality.

(IV.) The Committee reported as to the Powers of Taxation of the Irish Government:—

> "*It is common ground that an Irish Government must have substantial powers of taxation, not merely limited powers of imposing minor and residuary taxes. The Bills of 1886 and 1893 alike agreed in this, and we do not suppose that anyone could be found to dispute the dictum of Sir Wilfred Laurier when, in debate in the recent Imperial Council, he said, "Now, if there is one system which I think is indefensible, it is the creation of a body which should have the power to expend at its own sweet will without having the responsibility of providing for the revenue to carry on the expenditure.*"

The Bill proceeds on absolutely opposite lines to their

recommendation. The spending body is Irish. The Revenue-providing body is British.

(V.) The Committee urged that:—

"*If in the altered conditions of the world's food markets an element of risk to free trade between Great Britain and Ireland be still considered to remain, it must, we think, be guarded against. To obviate that danger, and also the danger of possible complications with foreign Powers, is a comparatively simple matter. All that would be necessary would be to impose on the Irish Government disabilities restraining it—*

(a) *From imposing duties of Customs that should differentiate between any one country and another; and*

(b) *From imposing a Customs duty on any article the produce or manufacture of Great Britain without likewise imposing a corresponding duty of Excise on any article of like nature and use produced or manufactured in Ireland.*

If this latter provision were thought insufficient to prevent possible penalising of British goods, it might be further specifically enacted that it should not be within the competence of the Irish Government to impose any duties on goods which are the produce or manufacture of Great Britain, and which are not dutiable in Great Britain. *It would of course be necessary that Great Britain should be subject to reciprocal obligations towards Ireland, and the effect would be to ensure the maintenance of complete free trade between the two countries.*"

This recommendation has been adopted save so far as the imposition of any reciprocal duty on the part of Great Britain towards Ireland.

The Bill shackles upon Ireland the Free Trade system from which Ireland has suffered severely; while in the event of Tariff changes, Irish Commerce and Industrial

policy would be absolutely at the mercy of Great Britain under Home Rule.

(VI.) The Committee warned the Cabinet that:—

"*It is a first principle of sound government that the same authority that has the spending of revenue should also have the burthen, and not infrequently the odium, of raising that revenue. That one should have the unpopular duty of providing the means, and another the privilege of expending them, is a division of labour that leads to disaster.*"

The Cabinet has ignored the warning. England has to raise the Revenue, collect the taxes, bear all the odium. Ireland will have only a spending authority. The Government courts the disaster.[1]

(VII.) The Committee urged that:—

"*The lesson which it is required to bring home to the individual Irishman in concrete and palpable form is that, before any money can be expended by an Irish Government, he must first pay his share of that money in taxation. We believe that that lesson cannot be effectively taught if the Imperial Parliament retain the power of imposing or collecting Irish taxes.*"

The Bill contradicts this recommendation point blank.

(VIII.) The Committee reported as to the Cost of future Old Age Pensions:—

"*We do not overlook the fact that in Ireland a liability in respect of future Old Age Pensions will grow somewhat rapidly, and that in time may reach a substantial amount. What that amount will be it is exceedingly difficult to estimate. In Ireland it is no mere question of mortality statistics and vital statistics, as in this country. There it is complicated by the influence of the famine on the birth and death rates between 1845 and 1850, by the subsequent outflow of emigration, and by the*

[1] See speech of Mr. Mitchell Thompson, M.P., 6th May, 1912—Parl. Deb., 1912, Vol. XXXVIII.. p. 121.

absence of registers of births and deaths prior to 1864. Dr. Falkiner, Superintendent of Statistics in the office of the Registrar-General for Ireland, informed us that he had devoted much time and thought to the subject, but had not been able to arrive at any satisfactory conclusion upon it. The next few years will, however, shed much light upon it. Meanwhile, if we were to hazard a guess, we should be inclined to suggest that the annual recruitment of the pension list might be from 20,000 to 25,000 for some years to come. This would mean on the present pension scale an accruing charge of from £250,000 to £300,000 a year. But the total charge on Irish votes would not grow annually by that amount, as there would be some set-off through deaths of those on the new Irish list. But whatever the amount may be, we hold that it is not unreasonable to ask Ireland to accept the liability. It is of the essence of the proposed settlement that an obligation on Great Britain to contribute to Irish local resources has arisen out of the inflation of Irish expenditure due to the financial partnership with Great Britain. It follows that, unless increased taxation is to be imposed, there must be a first obligation on an Irish Government to reduce the inflation with as much promptitude as may be, and from what we have said in paragraph 13 it will be gathered that we regard Old Age Pensions as an item of expenditure on which reduction would be not only legitimate but desirable in the new conditions to be established in Ireland—of course, in respect of future pensions only. We fully recognise that reduction of public expenditure is a difficult and an unpleasing process: also that a liberal allowance of time must be made for it, if public faith is to be scrupulously kept, as it must be with all those in the employ of Government at the time of transfer, and in every other respect. But the dissolution of financial partnership will be made out of deference to the expressed wishes of Ireland, and we do not doubt that she is fully prepared to admit that her exodus must entail on her a sacrifice of some material advantages that she may have been deriving from the partnership."

In the face of this Report it is an astonishing fact that the Financial Scheme of the Bill as put forward in the "Outline of Financial Provisions" by the Government, states, "It is estimated that within twenty years the cost of Old Age Pensions will decrease by £200,000," suppressing the information then in the hands of the Cabinet that an immediate accruing charge of from £250,000 to £300,000 a year must be anticipated. The Government Bill enables Ireland to take over the Old Age Pensions, but instead of affecting any economy in them for the advantage of the taxpayer, it gives the Irish Government every inducement to make the administration of them as extravagant as possible for a few years, and then take them over, saddling the taxpayers with a permanent burden of extra hundreds of thousands and then to cut down or even abolish (if they so desire) the Pension system in Ireland, thus cheating at once the British taxpayer and the Irish poor.[1]

The Committee guilelessly regarded "Old Age Pensions as an item of expenditure on which reduction would be not only legitimate but desirable in the new conditions to be established in Ireland—of course in respect of future pensions only." But they say "the dissolution of financial partnership will be made out of deference to the express wishes of Ireland and we do not doubt that she is fully prepared to admit that her exodus must entail on her a sacrifice of some material advantages that she may have been deriving from the partnership"—and they suggest that Ireland should take over the future Old Age Pensions and cut them down under Home Rule. But the leaders of the Exodus have preferred to spoil the Egyptians and have directed the Ministry to provide that Great Britain is to finance all the Irish Pensions, old and new. The gentlemen who

[1] See *ante*, p. 66.

drew up this Committee Report seem to be sublimely ignorant of Irish conditions. It is ridiculous to imagine that Ireland is groaning and "suffering" under the grievance of Old Age Pensions. If the Irish members of Parliament themselves were to go among the Irish peasantry and tell them that under Home Rule Old Age Pensions would be cut down they would be bludgeoned and blackthorned, and so Old Age Pensions are left as a "Reserved Service" to England. Let us see how this will work out in practice under the Bill, as a method of financing the Irish Government.

The management of Old Age Pensions is subject to the control of the Irish Local Government Board, and the payments are made through the Post Office. The Local Government Board is to be transferred to the Irish Parliament and the Post Office is also to be transferred. The officials of both services will be under the control of the Irish Executive. Look at the Reports of the Local Government Board for Ireland and you will see the prospect which awaits the British taxpayer on the Old Age Pension aspect of Home Rule.[1] The Report for 1911 states:—

> "There is now a tendency on the part of almost every small landholder on reaching the age of seventy to transfer his farm to some member of his family and then claim a pension as a matter of course. Where owners of farms transfer their rights in the property to members of their own family they generally continue to enjoy the same benefits and privileges as they did before assignment took place: and in view of the many instances which have recently come under our notice of valuable and well-stocked farms being handed to sons or daughters for a nominal consideration we have felt compelled in such cases to regard these assign-

[1] Cd. 5847 of 1911. pp. 12, 13.

> ments as coming within the meaning of Section 4 (3) unless the evidence showed that some material alteration in the circumstances of the claimant has necessitated the assignment."

Cases also have come before the Irish Courts within the last year where priests have been charged with furnishing fraudulent certificates of birth. The reverend defendants were acquitted, but somehow strange certificates existed and Old Age Pensions were procured under circumstances which led to prosecutions. During the year 1911, the Local Government Board for Ireland dealt with no less than 13,509 appeals relating to claims for Old Age Pensions. These are realities of Irish life and if these things can be done under the Imperial Executive what will be done under an Irish Executive—when Ireland supplies the pensioners and Britain supplies the pay?[1]

Referring to the terms of Section 17 (4) of the Bill, providing that the Exchequer Board, in determining the increase to be made to the Transferred sum in the case of the Irish Government taking over a Reserved service, shall have regard to the prospect of any increase or decrease in the cost of that service which may be expected to arise from causes not being matters of administration, Lord Welby, the eminent Liberal Financial authority, writes thus in the official party publication, the *New Irish Constitution*:—

> "The Postmaster-General said in his speech on the introduction of the Bill, that the Old Age Pension charge is now practically at its maximum, gradually diminishing, and the Primrose Committee estimate the charge at the time when the Bill becomes law at £3,000,000. The question then arises—What will be the amount transferred if the Irish Government, seeing its way to more economical administration, were to give at once the twelve

[1] See *ante*, p. 65.

> months' notice and take over the service at the end of the year? It would not, I presume, be £2,664,000—the charge at which the Treasury in its 'Outline of Financial Provisions' estimated it in 1912–13—but £3,000,000 modified to some extent by the prospect of reduction."[1]

It may be taken that the £2,664,000 is by at least a quarter of a million too low an estimate of the amount which the Imperial Treasury will have to transfer.

(IX.) The Committee reported as to Double Income Tax:—

> "*Seeing that, for purposes of Income Tax, Ireland would become a foreign country, it would unquestionably be necessary to provide against the payment on one and the same income of income tax to both Exchequers.*"

Under the Bill the Irish Parliament will have power to impose an Irish Income Tax at any rate they choose in addition to the Imperial Income Tax. It will also have power to impose under certain circumstances an additional Income Tax and Death Duties on property situated elsewhere than in Ireland.[2] Thus a super-tax can be imposed on the profits of the London and North-Western Railway, the Midland Railway, the Great Western Railway, on the British Banking Companies and Insurance Companies carrying on business in Ireland, and there would be nothing to prevent a differential tax on British firms as against Irish firms transacting business in Ireland.

What has been done in the Bill is to provide (Section 17) that if the yield of any Irish addition to Income Tax or Death Duties exceeds one-tenth of the proceeds in Ireland of that duty as levied as an Imperial tax in any

---

[1] *The New Irish Constitution—Financial Relations*, p. 152.

[2] See reply to Mr. Horner by the Postmaster-General—Parl. Deb., 1912, Vol. XXXVIII., p. 218 and p. 1531.

year the amount of the excess shall not be credited to Ireland but to the Imperial Exchequer.

This will be rightly regarded as a most unconstitutional and monstrous imposition in Ireland.

(X.) They also reported as to Double Death Duties:

"*Similarly provision ought, we think, to be made against a double charge for death duties. For this purpose all that would be necessary would be an application to Ireland (with possibly some slight modification that might be found desirable) of section 20 of The Finance Act, 1894, which protects against double charges for death duties in this country and in the Oversea Dominions.*"

This has not been done. Death Duties and Income Tax are alike capable of being doubly assessed under the Bill.

(XI.) They report that:—

"*Certain Irish services are at present being financed out of the surplus of the Irish Church Temporalities Fund, and amongst them is a subsidy of £70,000 per annum to the Department of Agriculture, which is used for technical instruction and other similar purposes. The grant was sanctioned for a period of fifteen years from 1900, at the end of which time its amount was to be revised by the Treasury, "having regard to the then state of the Church Fund." We had it in evidence that by 1915 the position of the Fund would be such that it would not be able to provide in subsequent years for an annuity of such a large amount as £70,000. Therefore, unless the subsidy is to be reduced, some charge in respect of it may fall upon Parliamentary Votes. But in view of all the circumstances, we have not thought it necessary on this account to make any addition to our estimate of the expenditure that an Irish Government would have to meet.*"

This is a matter of great importance in the interests of Irish Education and of future Irish Finance. The

Church Fund represents the property of the Church of Ireland taken over by the State on Disestablishment. For many years charges for Irish purposes that would otherwise have fallen on the Parliamentary votes were financed out of the Church Fund. Large Capital deductions have been made from it. Technical Education is largely financed by the Fund. The evidence which would enable the Irish public to know what is to be the future of this all-important branch of Education is deliberately suppressed by the Cabinet. No provision is made in the Bill or suggested in the White Paper for defraying this charge of £70,000 in the future. This policy of present concealment will result in future collision.[1]

The Committee made this Summary of Conclusions and Recommendations:—

> "We may now summarise our final conclusions and recommendations as follows:—
>
> "(i.) We recommend that the power of *imposing* and *levying* all taxation in Ireland should rest with the Irish Government, subject to such reservations as may be necessary to guard against the raising of tariff questions that might prejudice relations with foreign Powers or trade and commerce between Great Britain and Ireland.
>
> "(ii.) We recommend that the obligation of Ireland to contribute to the general expenditure of the realm be affirmed, but that a settlement of the amount of the contribution be allowed to remain in abeyance.
>
> "(iii.) We recommend that the Irish Government should take over the whole of the Irish local expenditure, the amount of which some two years hence we put at £12,400,000.
>
> "(iv.) We estimate that the revenue an Irish Government may expect then to receive from existing taxes and from non-tax sources would be about £10,350,000.

[1] See post, pp. 130, 183.

"(v.) We recommend that to meet the deficit and to provide the Irish Government with a working balance and also a margin for immediately accruing charges in respect of future Old Age Pensions and Land Purchase the Imperial Exchequer should take over the liability for all Old Age Pensions already granted at the date when the transfer of powers takes place (the amount of which we estimate at about £3,000,000); and that should the amount so provided appear at the time of settlement to be insufficient, the Imperial Exchequer should take over a further liability for so much of the charge for Constabulary Pensions as might be found to be necessary.

"(vi.) We recommend that 'double income tax' be avoided, and that each Government should bear one-half of the cost that the concession will entail.

"(vii.) We consider that provision should also be made for the avoidance of double death and stamp duties.

"(viii.) We recommend that the Guarantee of the Imperial Exchequer in respect of Land Stock should remain, but that the Irish Government should be made responsible for securing to the National Debt Commissioners regular payment of the sums due from Ireland in respect of the Stock, and that for this purpose power be reserved to His Majesty in Council to appoint a Receiver of Irish Customs and Excise in the event of the collection of the purchase annuities falling more than three months into arrear."

Mr. Asquith, in introducing the Bill, said that the Financial position was so difficult and important that the Ministry called to its aid the services of this Expert Committee; that the Report they made was exhaustive and instructive; and that the Cabinet had derived the greatest advantage from their conclusions and suggestions. The Government has apparently been instructed what to avoid by the Committee, for there is hardly a single one of their suggestions, recommendations and findings that is not flouted by the Bill.[1]

[1] See *National Review*, June, 1912, *The Finance of the Home Rule Bill*, by A. C. Steel-Maitland, M.P.

CHAPTER VIII.

The Transferred Services and Home Rule Finance

THE Financial Scheme of the Home Rule Bill, 1912, is based on the provision that Ireland is to take over all the Public Services in Ireland connected with Civil Administration, except (*a*) those in respect of which the Irish Parliament is to have no power to make laws, and (*b*) those connected with the administration of the Reserved matters, termed in the Bill "Reserved Services,"[1] and it assumes that when they are taken over the Irish Parliament and Executive can largely diminish the expenditure on them, make great savings, and get the benefit of these savings for financing Irish Government in other directions. The Bill also provides for the continuance in office of all existing judges and other Civil officers and servants at the same salaries and with the same right of pension and retiring allowances as they are now entitled to.[2]

The Transferred Sum.

For the purpose of the Irish Exchequer the Bill provides for the payment to Ireland out of the Consolidated Fund of about six millions per annum known as the "Transferred Sum." This is to be a specified sum paid to Ireland yearly, and out of it any additional taxation which the Irish Parliament may levy she is to keep up all the "Irish"

---

[1] Clause 4 (6), Clauses 14 to 26.
[2] Clauses 31 to 37.

Services Transferred or newly created; and all existing salaries and all pay and pensions of Judicial persons and Civil Servants are chargeable against this Transferred Sum. The White Paper (Cd. 1912, 6154) thus states the plan for creating the Revenue of the Irish Exchequer:—

> "The Bill provides, in the first instance, for the period during which the yield of Irish taxes is less than the cost of Irish administration, and contemplates certain modifications after a financial equilibrium has been attained.
>
> "During that period the revenue of the Irish Exchequer will consist of a sum transferred annually from the Imperial Exchequer, and termed in the Bill the Transferred Sum, together with the receipts of the Irish Post Office.
>
> "The Transferred Sum will be fixed at the outset at such amount as will cover, with the addition of the Post Office revenue, the present expenditure on Irish Government, with the exception of the cost of the Reserved Services. Included in the Transferred sum will also be a specified sum as surplus. The amount of this surplus will be £500,000 annually for a period of three years, then diminishing by £50,000 a year for six years till it reaches £200,000, at which sum it will remain.
>
> "Subject to this variation in the amount of the surplus and to certain minor variations specified in the Bill, and subject also to any changes consequent upon the exercise by the Irish Parliament of the powers of increasing or reducing taxation which are defined below, the amount of the Transferred Sum, fixed in the first year after the passing of the Act, will remain the same until an equilibrium is reached between the total revenue derived from Ireland and the total expenditure on Irish purposes.
>
> *Charges upon the Irish Exchequer.*
>
> "The Bill provides for the establishment of an Irish Exchequer and an Irish Consolidated Fund.

"From the Irish Exchequer will be defrayed the whole of the present and future cost of Irish government, with the exception of the expenditure on certain services, termed in the Bill Reserved Services.

Charges upon the Imperial Exchequer.

"The Imperial Government will retain the control, and the Imperial Exchequer will continue to bear the cost, of the Reserved Services, namely, Old Age Pensions, National Insurance, Labour Exchanges, Land Purchase, and Collection of Taxes. For a period of six years the Royal Irish Constabulary will also be one of the Reserved Services.

"There are provisions for the transfer to the Irish Government of certain of the Reserved Services under the conditions stated in the Bill."

The Estimated Expenditure on Irish Services (other than Reserved Services) in 1912–13 is thus stated in Appendix B to the White Paper:—

Consolidated Fund		£127,500
Payments to Local Taxation Accounts ..		1,461,500
Voted Services—		
Class I. (Public Works and Buildings)—		
Surveys	£82,000	
Rates on Government Property	61,000	
Public Works and Buildings	250,500	
Railways	48,500	
Other Services ...	1,000	
		443,000
Class II. (Salaries and Expenses of Civil Departments)—		
Department of Agriculture, &c.	136,500	
Congested Districts Board	169,500	
Local Government Board	111,500	

Public Works Office ...	£47,000	
Valuation, &c., Survey ...	42,000	
Stationery and Printing...	54,000	
Other Services	83,000	
		643,500
Class III. (Law and Justice)—		
Law Charges, &c. ...	65,500	
Supreme Court, &c. ...	113,000	
County Court Officers ...	111,000	
Dublin Metropolitan Police	96,500	
Prisons	112,000	
Reformatory and Industrial Schools ...	112,000	
Other Services ...	32,000	
		642,000
Class IV. (Education, Science and Art)—		
Public Education ...	1,734,500	
Science and Art ...	138,500	
Universities and Colleges	130,000	
Other Services	6,500	
		2,009,500
Class VI. (Non-effective and Charitable Services)—		
Superannuation ...	82,000	
Other Services	17,000	
		99,000
Class VII. (Miscellaneous)—		
Sundry Services ...	36,000	
		3,873,000
		5,462,000
Post Office		1,600,000
		£7,062,000

The Revenue to be derived from Ireland in the year 1912–13 is estimated to amount to £10,859,000 and the Expenditure for all Irish purposes at £12,354,000; the Expenditure therefore exceeds the Revenue by £1,575,000.

The Expenditure is divided for the purposes of the Bill and the Memorandum in the White Paper, as follows:—

All purposes not separately specified ...	£5,462,000
Post Office	1,600,000
Old Age Pensions	2,664,000
Charges under the Land Purchase Acts	761,000
National Insurance & Labour Exchanges	191,500
Royal Irish Constabulary	1,377,500
Collection of Revenue	298,000
Total	£12,354,000

The heading " All purposes not separately specified " covers the charges on the Consolidated Fund and the Voted Services stated in detail above amounting to £5,462,000.

Revenue and Expenditure Accounts.

If the estimates given above are assumed, for purposes of illustration, to be the figures finally determined, the Irish Government's Budget in the first year would balance as follows:—

REVENUE.	£	EXPENDITURE.	£
Transferred Sum	6,127,000	All purposes not separately specified ...	5,462,000
Post Office	1,354,000	Post Office	1,600,000
Fee Stamps	81,000		
			7,062,000
		Surplus[1]	500,000
Total	7,562,000	Total	7,562,000

The £81,000 mentioned on the Revenue side of the account are Judicature and other Fee Stamps which are to be left to the Irish Government. The Balance Sheet,

[1] Subject to subsequent reduction as stated above until it falls to £200,000.

as explained by an answer in Parliament, is worked out as follows:—

> The items included in the Transferred Sum of £6,127,000 mentioned on page 4 of the White Paper (Cd. 6154) are as follows:—

Estimated Expenditure on Irish Services (other than Reserved Services) in 1912–13, including expenditure on the Post Office		£7,062,000
Deduct Revenue received by the Irish Exchequer, namely—		
Post Office	£1,354,000	
Fee Stamps	81,000	
		1,435,000
Net Expenditure on Irish Services and Post Office		5,627,000
Add "Surplus"		500,000
		£6,127,000

It is essential therefore to understand the character of the expenditure of £5,462,000 on the Irish Services classified as "All purposes not separately specified" in the White Paper are called in the Bill the "Irish Services," but they may be termed the "Transferred Services" as contrasted with the "Reserved Services."

The solvency of Ireland under Home Rule and her agricultural, industrial, civic, rural, educational, and economic and social development depend upon the adequacy of this £5,462,000 to provide for the existing and future Civil administration of Ireland and for her expansion and advancement as a civilised community keeping abreast of European progress, and particularly with the progress of the neighbouring people of England and Scotland, from partnership with whom she is to be severed by Home Rule but with whom competition in business must continue, and whose educational and

social conditions must day by day compare or contrast with those of Ireland.

The Misrepresentations as to the Irish Civil Service.

As previously stated, absurd exaggerations have been used in the Home Rule campaign by the Nationalist Party for the purpose of representing that the Irish Civil Service is one vast preserve for bloated officialism, and that if Ireland had "the management of her own affairs" under Home Rule they could effect such drastic economies as would enable them to carry on the Government of Ireland on a very inexpensive scale and thus secure funds sufficient to finance great schemes of arterial drainage, afforestation, harbour and transit development, education, and social betterment.[1] These ideas about the existing system of Irish government were used for the purpose of deluding the theoretical English Home Ruler who knows nothing practically about the country and for exciting the indignation of the groundlings against "The Castle." The Castle is merely the official address of the Headquarters of the Civil Service in Ireland, just as Whitehall is in England the official address of the Home Office. Assuming that these wild statements originated in a blunder as to the meaning of certain returns in the tables of Income Tax assessments of officials in the Three Kingdoms, the mistake was frequently corrected by replies in Parliament, but the statements were reiterated, exaggerated, became under such conditions deliberate lies, and as such have been swallowed wholesale by English writers on the Home Rule question, found their way into the official works on the Home Rule propaganda, and been repeated by certain British academic advocates of Home Rule who,

[1] *Ante*, p. 95.

saturated with Nationalist inverisimilitudes, have become more Irish than the Irish themselves.

The prospect of a rich "harvest" for the Home Rule "pruning-knife" in the Irish Civil Service was originated by Mr. T. Kettle. Under a misapprehension as to the classification in the returns for Income Tax in Schedule E of Officials he came to the conclusion that there were 4,560 Irish officials as compared with 958 Scotch officials and that under Home Rule there could be a reduction made to the Scotch scale which would result in such vast savings being made under Home Rule that the Irish Government could practically finance itself on the Civil Service reductions. The idea is founded upon a mistake as to the meaning of the tables of assessment to Income Tax of Government officials. Irish officials are paid from Dublin and Income Tax is deducted in Ireland. Scotch Civil Servants are to a great extent paid in London and assessed in the Metropolis, and are included in the English and not in Scotch assessments. It appears from a return made in Parliament to Sir John Lonsdale, 22nd February, 1911, by Mr. Hobhouse, that of these 4,560 "officials" 1,622 are clergymen of the Church of Ireland paid by the Representative Church Body, 341 are officers of the Bank of Ireland, 49 are employees of the Dublin Port and Docks and Irish Lights Board, 202 are superannuated pensioners, and 178 Petty Sessions Clerks! What a preposterous position the Home Rule cause must occupy when the economies of the future Ireland are to be constructed on the basis of an imaginary cutting down the salaries of a couple of thousand clerks and clergymen of the Church of Ireland, who are not in any respect under Government control or in receipt of Government pay. And yet this is put forward and reiterated as one of

the strongest and sanest arguments for Home Rule, and was actually repeated on the debate on the introduction of the Home Rule Bill as demonstrating the soundness of its Finance. The following Parliamentary Return on this subject ought to put an end to these absurd misrepresentations and misconceptions:—

Return as to Public Departments Scotch and Irish Salaries.

A Return was recently given to the House of Commons showing (as regards public Civil Departments in Scotland and Ireland, and Departments stationed in England which deal wholly with Scottish or Irish affairs) the number of established and unestablished officials employed on 31st March, 1911, together with the number of such officials paid salaries of £160 a year or more.[1]

A note is added showing what Departments are partially engaged in Scottish or Irish affairs by means of officials having their headquarters in England.

At the date named the total numbers of officials (established and unestablished) in Scotland and Ireland were:—

	Total.	Number with salaries of £160 a year or over.
Scotland	... 25,848	2,215
Ireland	... 27,222	2,248

Of the foregoing totals the most numerously staffed offices are:—

In Scotland.

Education	... 209	115
Prisons Commission ...	... 532	38
Register House ...	... 240	71
Customs and Excise ...	... 1,465	774
Inland Revenue ...	... 489	157
Post Office ...	21,338	616

[1] See *ante*, p. 96.

In Ireland.

Agricultural Department ...	720	236
Congested Districts Board ...	291	54
Lands and Estates Commission	686	197
L. G. Board	274	108
Prisons Board	608	42
Supreme Court	231	118
Customs and Excise ...	876	413
Post Office	20,441	415

It will be seen that if the exceptional Irish Services of the Congested District Board and Land Commission are eliminated the number of Civil Servants in Ireland and Scotland is practically the same; and if we further eliminate those employed in the other exceptional Irish Departments of Agricultural and Industries the Scotch officials considerably exceed the Irish in number.

View of the General Council of the Irish County Councils.

In the important Report of the Irish County Councils' General Council on the Finance Proposals contained in the Home Rule Bill of 1912 issued on 19th April, 1912 —a Report which should be read by all persons who wish to understand the Finance of this Bill from the Irish standpoint as it appears to the only Nationalist body in Ireland that speaks with any authority on this subject—the following passage occurs:—

> "*In our view Increased Taxation is the keynote of the Financial provisions of the Bill.*
>
> "The Bill provides for giving to Ireland a fixed sum in lieu of her collected Revenue just sufficient to cover present expenditure, plus the cost of establishing the Irish Government, and mortgages the natural increase of Revenue as the years pass on to the extinguishment of the assumed deficit,

leaving Ireland to provide for any increase in her expenditure by:—

(*a*) Economies to be effected.
(*b*) Increased taxation.

"Let us first examine the question of possible economies. The control and administration of Irish Services is nearly evenly divided in its financial aspect as between the Irish Parliament and the Imperial Government.

"The expenditure falling within the control of the Irish Parliament amounts to the sum of £5,462,000, set forth in detail in the 'outline of Financial provisions' issued simultaneously with the Bill, the main items comprising which are:—

Local Taxation	£1,461,500
Education	2,009,500
Department of Agriculture, Congested Districts Board, Local Government Board, etc.	643,500
Public Works (including Railways) ...	443,000
Law and Justice, Prisons, Reformatories, Industrial Schools, D.M. Police, etc.	642,000
Consolidated Fund	127,500
Superannuations and Miscellaneous ...	135,000
	£5,462,000

Under which of the above heads are any beyond mere trifling economies possible? We are unable to suggest any effective economies in their regard.

"The '*Reserved* Services' controlled by the Imperial Government offer a much wider field of operation in this direction, and economies in these services would be (although less directly) beneficial to Ireland, but the Prime Minister in the extract from his speech, which we have already quoted, admits *the impotence of the Imperial Government to effect these economies.*

"*We are thus thrown back upon the possibilities of Revenue from increased taxation.*"

An examination of the details of the items of this £5,462,000 which practically represents the whole available Revenue of Ireland under the Bill will show that any "effective economies" are impossible, as the County Councils' Report states.

The Prior Charges on the Transferred Sum.

Before, however, examining the details of the Transferred Sum it is important to remember the fact that the "Transferred Sum" mentioned in the Bill is a very much larger sum than the Transferred Cash which will actually find its way into the Irish Exchequer, and be subject to the control of the Irish Parliament.

Before any portion of the "Transferred Sum" is transferred to the Irish Exchequer, the Treasury in England will deduct:—

1. Under Clause 18—

> "All charges under the Land Purchase Acts which now fall on the Guarantee Fund."

These charges are to be transferred from the Guarantee Fund and are to constitute a first charge on the Transferred Sum. They are as follows:—

> "(1) sums which owing to the deficiency of the Irish Land Purchase Account, are paid out of the Consolidated Fund on account of the dividends and sinking fund payments of Irish guaranteed land stock under section one of the Purchase of Land (Ireland) Act, 1891 ; and
>
> "(2) sums which, owing to the deficiency of the income of the Irish Land Purchase Fund, are paid out of the Consolidated Fund on account of the dividends on stock under section twenty-nine of the Irish Land Act, 1903;
>
> "(3) arrears of annual payments under subsection (4) of section thirty-six of the Irish Land Act, 1903."

These are very serious liabilities.

2. Under Clause 20—

> "All existing charges on the Irish Church Temporalities Fund guaranteed by the Treasury shall, if and so far as not paid, be paid out of the Exchequer of the United Kingdom, and be made good by means of deductions from the Transferred Sum in accordance with regulations made by the Treasury."

The Primrose Committee reported that:—

> "Certain services are at present being financed out of the surplus of the Irish Church Temporalities Fund and amongst them is a subsidy of £70,000 per annum to the Department of Agriculture which is used for technical instruction and other similar purposes. The grant was sanctioned for a period of fifteen years from 1900 at the end of which time its amount was to be revised by the Treasury 'having regard to the then state of the Church Fund.' We had it in evidence that by 1915 the position of the Fund would be such that it would not be able to provide in subsequent years for an annuity of such large amount as £70,000. Therefore unless the subsidy is to be reduced some charge in respect of it may fall upon Parliamentary votes."

The amount of this deficiency is suppressed by the Cabinet concealing the evidence which was given before the Committee. The Irish public is not to be permitted to see the evidence about this Irish Fund.

Under the Bill, the deficiency whatever it be will not fall on "Imperial" Parliamentary votes; it will fall on the Transferred Sum, and be deducted from it as a prior charge. If it is to be made good, it must be made good by extra Irish taxation imposed by the Irish Parliament. But it is much more probable that the deficiency cannot be made good, and that Irish Technical Education must be made worse.[1]

---

[1] See *ante*, pp. 116, 183.

3. Under Clause 31—

"There shall be deducted from the transferred Sum in each year towards the payment of the Lord Lieutenant's salary a sum of five thousand pounds."

4. Under Clause 32—

"The salaries of all existing Judges of the Supreme Court and County Courts and of all existing established Irish Civil Servants charged on the Consolidated Fund shall be deducted from the Transferred Sum by the Treasury."

5. Under Clause 33—

"The Superannuation and other allowances of all existing unestablished Irish Civil Servants shall be similarly deducted."

6. Under Clause 35 and 37 (4)—

"The Pensions of the Dublin Metropolitan Police and Royal Irish Constabulary serving at the date of transfer which shall become payable after the date of transfer shall be made good out of the Transferred Sum."

7. Under Clause 23—

"Where a loan is raised by the Irish Government on the security of the Transferred Sum under the management of the Joint Exchequer Board the interest, sinking fund, and cost of administration of the loan shall be deducted from the Transferred Sum and paid to the Joint Exchequer Board instead of to the Irish Exchequer."

Therefore the Transferred Cash reaching the Irish Exchequer to be controlled by the Irish Parliament and Government will be very much smaller than the "Transferred Sum" which is thus heavily incumbered with prior charges and is liable to these deductions.

Examination and Details of Transferred Services.

The items of the Expenditure for 1912–13 on Irish Services (other than the Reserved Services) are given

in Appendix B to the White Paper which accompanied the Bill. They are divided into Services provided for (*a*) out of the Consolidated Fund and (*b*) out of Voted Supplies. The first item is

Consolidated Fund, £127,500.

The Judiciary.

The total charges on the Consolidated Fund for Judicial Salaries—Supreme Court and County Court and Scotch Sheriff Courts—appears from the Finance Accounts of the United Kingdom, 1911, to be as follows:—

England	£307,379
Scotland	104,500
Ireland	87,400[1]

Under the Bill (Section 32) this Irish £87,400 must continue to be paid from the Consolidated Fund by a deduction being made from the Transferred Sum during the tenure of the existing judges. Their pensions in the event of retirement must also be deducted from the Transferred Sum. Irish Judicial Pensions to the amount of £15,000 are at present charged on the Consolidated Fund; accordingly the Transferred Sum will be liable at the commencement to reimburse the Consolidated Fund to the amount of £102,000 for the cost of the Judiciary (other than the Land Commission) and Pensions.

Wild statements are made as to the possibility of financing Home Rule to a great extent by reducing Judges' salaries and cutting down the Legal establishment. The Irish High Court Judiciary costs £55,600

---

[1] Excluding the Land Commission Judge £3,500, and Judicial Commissioner, £3,000.

per annum and the County Court £31,800. In the High Court the Judicial Staff has now been reduced to the lowest possible numbers consistent with the despatch of business. This fact is admitted in the Liberal Party official publication, *The New Irish Constitution.* It states:—

> "With every desire for economy, it is believed that the Supreme Court Bench cannot be further reduced without interfering with the efficiency of the Public Service."[1]

Assume, however, that the Judiciary is cut down even further under Home Rule and that the salaries are reduced by half, as some politicians demand, and that some £50,000 a year is thus deducted from the Exchequer Expenditure, then the Irish public must submit to a long delay in litigation through the inadequacy of the Judicial Staff and serious business losses and disadvantages in other respects will follow, costing the public and suitors far more than £50,000 per annum in effect. Further the Irish Bar will not be a profession that talented men will adopt. England, India, Africa, and the Colonies will be open to them. It is the substantial prizes that attract clever men to a career so full of risks, and the country will lose much more through the emigration of this able professional element in the population than it will gain by reduction in the outlay which is necessary to keep up a first-rate Judiciary. A third-rate Judiciary will mean a fourth-rate Bar, and a shoddy Bar will not supply men who will be above depreciation or suspicion when they attain a seat on an Irish Bench which will necessarily be marked with inferiority in status to that of Scotland and

---

[1] p. 157.

of England. There are some Treasury economies that are the worst form of National extravagance.

Assume, however, that Ireland under Home Rule is satisfied to entrust the fortunes of her litigants and her own interests when in conflict with Great Britain, as she must continually be under the proposed Home Rule Bill, to the keeping of a lower grade Bench and Bar, it will take about fifteen years before any substantial reduction could be made in the amount now chargeable for Judicial Services. Irish suitors now contribute to the Revenue £81,000 in Law Fee Stamps, and they will justly demand a reduction of these " taxes on redress," termed by Bentham the worst form of taxation. The amount collected on Fee Stamps at present almost pays the total cost of the Irish High Court and County Court Judiciary.

There are some other Irish charges on the Consolidated Fund appearing in the Finance Accounts—such as £20,000 for the Lord Lieutenant, £750 for the Lord Mayor and Citizens of Dublin; Compensation under the Copyright to the King's Inns, £430, which is devoted to keeping up the splendid library in the King's Inns Dublin; for the Inspector of Anatomy, £320—which are presumably included in the £127,500 mentioned in the White Paper as the Irish Expenditure for 1912–13 out of the Consolidated Fund.

When the transfer is made to Ireland, the Lord Lieutenant's salary is to be deducted from this £127,500 as he is, under Clause 2 (1) of the Bill, to be a "Reserved" personage; but Ireland, on the other hand, is to contribute £5,000 (Clause 23) a year towards his salary. It is evident that this sum represents the £4,600 which appears annually on the Votes for the Lord Lieutenant's household. The figure now appearing in the White Paper as £127,500 will be reduced to £100,500

when transferred, which will be considerably less than will be required to pay the existing Judicial Staff and the Pensions charges on the Consolidated Fund. It will be impossible therefore to finance Home Rule for several years to come to the amount of a five pound note out of Judicial salaries or any other service included in the first item, £127,500, of the Transferred Consolidated Fund charge.

The next item charged on the Consolidated Fund is

Payments to Local Taxation Accounts, £1,461,500.

Let us analyse the Local Taxation Accounts and see how far Home Rule can be financed out of this item. No one who knows the growing demands on local authorities and the ever-increasing charges on ratepayers —urban and rural—in Ireland can for a moment expect that there can be any saving under this head. The universal opinion of financial authorities is that the Imperial Exchequer should contribute much more extensively to local authorities who perform within their own domain many duties which though local in application are national in service. The Royal Commission on Local Taxation reported in 1902 that reform must tend in this direction, and that Ireland has an irresistible claim to extended local subventions being made to her if made to England and Scotland out of the Exchequer; but under Home Rule this will be impossible, for it is an essential principle of the Home Rule Bill finance that that is intended to prevent any such similarity of treatment. Irish local authorities will never receive one penny more from the day that the Home Rule Bill passes than the £1,461,500—or whatever the exact figure in that year may be as calculated by the Exchequer Board—for all those multitudinous local demands which

are ever growing, ever increasing in insistence with the development of social progress. The Imperial Treasury is "barred, bolted, and banged" against the Irish ratepayer, but all the while from year to year the Irish taxpayer will be paying more and more towards the subvention of the English and Scotch ratepayers, who will not be limited or diminished in the scope of their subventions from the Imperial Exchequer. Ireland will from year to year be taxed for every increase of Government contributions to Local Authorities in Great Britain, but her grant will be stereotyped in 1915. The statistical abstract of the United Kingdom for 1911 (Cd. 5841), (Tables 21, p. 46 to 51) shows the continuous advance of Government help to Local Authorities in the Three Kingdoms from 1894 to 1908. Let us contrast 1894 (the year after Mr. Gladstone's Second Home Rule Bill) with 1904, ten years later, and the last return 1909, and see the position.

Government Contributions to Local Authorities.

	1894.	1904.	1909.
England	£8,933,000	£15,613,000	£21,355,000
Scotland	1,594,000	2,273,000	2,638,000
Ireland	326,000	1,331,000	1,358,000

Under the Finance Act of 1907 payments in respect of certain duties which were assigned by various Acts to Local Authorities ceased to be made directly to the Local Authorities, but were paid into the Exchequer and the equivalent was made payable from the Consolidated Fund, and under the Finance Act of 1910 and the Revenue Act, 1911, certain of these payments have been fixed at the equivalent of the proceeds of the duties in 1908–9.

In 1910–11 the charge on the Consolidated Fund was as follows:—

England	... ...	£7,159,000
Scotland	... ...	1,204,000
Ireland	... ...	1,477,000

The Local Taxation (Ireland) Account (Cd. 1911, No. 317) is as follows for the financial year ending 31st March, 1911:—

RECEIPTS.				£ s. d.
Balance on 1st April, 1910—				
CURRENT ACCOUNTS.				
I. Customs, &c., Duties	—			
II. Exchequer Contribution	30,811	11	1	
III. Estate Duty Grants (Acts 1888 and 1894)	36,000	0	0	
IV. Agricultural Grant	—			
V. Licence Duties, &c.	10,007	8	9	
DEPOSIT ACCOUNTS.				
I. Customs and Excise Duties	—			
II. Licence Duties ...	1,159	5	8	
III. Exchequer Contribution	22,873	2	1	
Balance, as above, on 1st April, 1910				100,851 7 7

I. CUSTOMS & EXCISE DUTIES (ACT 1890).

1909–1910.

		£	s.	d.
1. Commissioners of Customs	... ...	651	17	8
2. Commissioners of Inland Revenue	...	5,844	16	10
Total	...	6,496	14	6

	£	s.	d.
1910–1911.			
1. Commissioners of Customs	15,608	9	4
2. Commissioners of Inland Revenue ...	108,958	6	1
Total ...	124,566	15	5
H. M. Exchequer	29,568	0	11[1]

II. EXCHEQUER CONTRIBUTION (ACT 1891).

H. M. Exchequer	40,000	0	0

III. ESTATE DUTY GRANTS (ACTS OF 1888 & 1894).

1909–1910.			
Commissioners of Inland Revenue ...	16,843	12	4
1910–1911.			
Commissioners of Inland Revenue ...	230,441	6	11

IV. AGRICULTURAL GRANT (ACT 1898, SEC. 48).

H. M. Exchequer	727,655	0	0

V. LICENCE DUTIES AND LOCAL GRANTS (ACT 1898, SEC. 58).

H. M. Exchequer—			
(*a*) Licence Duties	211,894	9	4
(*b*) Annual sum of £79,000	79,000	0	0
Transfer from Deposit Account	1,178	14	7
Refund—Kilkenny Lunatic Asylum (R./S. No. 3)	3	4	9
Do. Monaghan Lunatic Asylum (R./S. No. 1)	1	11	8
Total ...	292,078	0	4
VI. ADVANCES	12,852	10	6

DEPOSIT ACCOUNTS.

I. Customs and Excise Duties ...	—		
II. Licence Duties	19	8	11
III. Exchequer Contribution	586	1	3
TOTAL,	£1,581,958	18	8

[1] This is the amount by which the proceeds of the Local Taxation (Customs and Excise), Duties fell short in 1909-10 of those in 1908-9, owing to the effect of the Budget, and which had to be made good.

PAYMENTS.	£	s.	d.
I. CUSTOMS & EXCISE DUTIES (ACT 1890).			
1909–1910.			
Intermediate Education Board ...	6,496	14	6
1910–1911.			
1. Department of Agriculture and Technical Instruction, Ireland	78,000	0	0
2. Intermediate Education Board	20,571	0	0
Total ...	98,571	0	0
II. EXCHEQUER CONTRIBUTION (SEC. 5, ACT 1891).			
1. County Councils on behalf of Rural District Councils		—	
2. Commissioners of Public Works in reduction of balances of loans due by Rural District Councils	30,811	11	1
3. The six County Boroughs	3,188	8	11
4. Local Government Board [6 Edw. 7, c. 37, sec. 13 (1) (*d*)]	6,000	0	0
Total ...	40,000	0	0
III. ESTATE DUTY GRANTS (ACTS OF 1888 & 1894).			
1909–1910.			
1. County Councils, &c.—			
(*a*) As road authorities	24,677	6	9
(*b*) On behalf of the Guardians of Unions in Ireland	26,421	16	2
2. Urban District Councils, as road authorities	1,744	9	5
Total ...	52,843	12	4
1910–1911.			
1. Department of Agriculture, &c. ...	5,000	0	0
2. County Councils, &c.—			
(*a*) As road authorities	90,239	4	6
(*b*) On behalf of the Guardians of Unions in Ireland	95,516	19	1
3. Urban District Councils, as road authorities	6,385	3	4
Total ...	197,141	6	11

IV. AGRICULTURAL GRANT (ACT 1898, SEC. 48).

County Councils	727,655 0 0

V. LICENCE DUTIES AND LOCAL GRANTS (ACT 1898, SEC. 58).

1. County Councils—	
(*a*) Salaries of Medical Officers ... (*b*) Salaries of Trained Nurses ... (*c*) Salaries of Schoolmasters and Schoolmistresses ... ... (*d*) Cost of Medicines, &c.	64,771 17 5
Local Government Board—Pharmacist	110 14 2
2. County Councils and Urban District Councils—	
Salaries of Sanitary Officers ...	13,605 2 4
3. County Councils—	
Accommodation, &c., of Lunatic Poor	211,682 11 4
4. County Councils—	
Excess of Railway or Harbour Charges	11,911 19 1
Total ...	302,082 4 4

VI. ADVANCES	17,721 4 3

DEPOSIT ACCOUNTS.

I. Customs and Excise Duties ...	—
II. Licence Duties	1,178 14 7
III. Exchequer Contribution	—
Balance on 31st March, 1911	138,269 1 9
TOTAL,	£1,581,958 18 8

CURRENT ACCOUNTS.

	£	s.	d.
I. Customs, &c., Duties	55,563	16	4
II. Exchequer Contribution	30,811	11	1
III. Estate Duty Grants (Acts of 1888 and 1894)	33,300	0	0
IV. Agricultural Grant	—		
V. Licence Duties, &c.	3	4	9
Advances	4,868	13	9

DEPOSIT ACCOUNTS.		£	s.	d.
I. Customs and Excise Duties	...		—	
II. Licence Duties	...		—	
III. Exchequer Contribution ...	...	23,459	3	4
		143,137	15	6
		4,868	13	9[1]
		£138,269	1	9

It is quite evident that not one penny of "economies" can be effected in these branches of Irish Expenditure. It is quite clear also that Ireland, under Home Rule, is going to be atrophied in the department of Local Public Finance. She will never get more than the £1,461,000 while England and Scotland will be getting increasing grants, and Irish taxpayers will continue to contribute towards the British increases. The position will be an intolerable one if this Bill ever becomes an Act of Parliament. The fact that the Irish subvention never increases, while the British continually increases, will rankle in the minds of the Irish people as a gross injustice: it will lead inevitably to repudiation and revolt, to national conflict, and to consequences as disastrous to the financial credit of the British as of the Irish people.

Every farthing saved, under Home Rule, out of this Local Taxation subvention would have to be deducted from the Irish ratepayers: every farthing of it is now required. The statement is sometimes made that the Irish ratepayer is not as heavily burdened as the English ratepayer, but the high authority of the Royal Commission which enquired into the Local Taxation of the United Kingdom in 1902 proves that this is not the case. Lord Balfour of Burleigh, Lord Blair Balfour,

---

[1] Debit.

and the two great Treasury experts, Sir E. W. Hamilton and Sir J. H. Murray, reported:—

> "We conclude that in spite of the exceptional assistance rendered by Parliamentary Votes to the two great National Services of Police and Education, and in spite of the liberality of the financial provisions of the Local Government Act, the question of local taxation in Ireland is not on a satisfactory footing. . . . It is probable that the Irish ratepayer, not mainly through his own fault, is still as heavily burdened as the English and Scotch ratepayers, and if further assistance is to be given in Great Britain, as we unanimously think it should be, we do not think it possible to resist the claim of Ireland to a similar simultaneous increase."[1]

Home Rule will blast Local Government in Ireland.

Details of Voted Services.

Let us now consider the *Voted Services* included in Appendix B to the White Paper and see if any savings worth mentioning can be effected in this class of expenditure under Home Rule. The Votes as estimated for Ireland in 1912–13 for these "Reserved Services" amount to £3,873,000.

Class I.—Public Works and Buildings, £443,000.

Surveys, £82,000.

It appears from the Estimates that £57,460 of this vote is for the completion of the re-survey of Ireland on the 25-inch Ordnance scale. £147,000 more will be necessary. The residue of the Vote is required for various other Surveys. These Surveys are essential for land

[1] Report on Local Taxation, 1902 (Ireland), p. 25.

purchase, rating, and numerous other purposes in Ireland.

Rates on Government Property, £61,000.

This is a contribution by the Crown in lieu of rates to Local Authorities. It must be kept up or the ratepayers will have to make good the deficiency.

Public Works and Buildings, £250,500.

This is for the construction, maintenance, and equipment of public buildings. The outlay will have to increase under Home Rule. The Parliament House and other Public Department buildings must be provided for. The construction of certain public buildings in Ireland has been stopped recently in contemplation of Home Rule; for instance, the completion of the buildings in Upper Merrion Street, Dublin, for the Department of Agriculture and Industries under the Public Offices Site (Dublin) Act, 1903, was arrested in contemplation of Home Rule, until public pressure and Parliamentary influence recently compelled the Government to undertake to proceed with the works. £195,000 has been advanced by the Commissioners of National Debt and spent on the portion now completed, and an annuity of £11,000 is charged in the Estimates towards the repayment of this sum. This Vote of £250,000 includes in it £75,800 for building, furniture, and maintenance of National Schools (see Estimates 1912–13, Class I. 15, and Class IV. 10, p. 449). This portion of the Vote will have to be increased. It is evident on looking into the items in the Estimates that no reduction can be expected in this expenditure.

Railways, £48,500.

Of this, £19,900 is a contribution by the State in aid of the liability of County Councils for guarantees under

the Tramways and Light Railways Acts, and £28,300 is for repayment of advances made by the Commissioners of National Debt.

No reduction is possible, therefore, in Class I.

Class II. –Salaries and Expenses of Civil Departments, £643,500.

Department of Agriculture, &c., £136,500.

This expenditure cannot be cut down. There has been a recent addition from the Development Fund for the Purchase of Areas for Afforestation (£17,000), Improvement of Horse Breeding (£10,000), Agricultural Research (£5,000), and Development of Fisheries (£23,200). These amounts are included in the Vote as appropriations in aid, and there is a total increase in 1912–13 of £30,000 over the Vote for the previous year. Increase in the future, and not diminution, must be anticipated as the country develops.

Congested Districts Board, £169,500.

This grant is not likely to be reduced under Home Rule. The Land Purchase functions of the Congested Districts Board are a "Reserved" Service, and there is a remarkable correspondence between this £169,500 charged under the heading Congested Districts Board in the White Paper with the £169,000 charged under the heading "Land Purchase"—"(2) Other Charges." It will probably be found that the £169,000 will have to be deducted from the estimated Transferred Sum of £5,462,000 by the Exchequer Board when ascertaining the exact state of the account, and that the total estimated Transferred Sum should thus be reduced.

The next item is:—

Local Government Board, £111,500.

Of this Vote £9,000 under the Judicature Act of 1907, and £22,000 under the Land Act of 1909 are grants for the purposes of Labourers' Cottages; and when the many and increasing duties of the Local Government Board are considered, and the details of the Estimate looked into, it is evident that there is very little, if any, room for economies under this heading. The Vote also includes another item of £2,000 for expenditure in relation to Labourers' Cottages, and of £3,500 for expenses of arbitrations and enquiries under the Public Health Acts and Labourers' Acts.

The savings that will be effected by the Home Rule Economists in the number of the Local Government Board officials and their salaries may be taken to be negligible or imaginary.

Public Works Office, £47,000.

Having regard to the numerous duties discharged by this Department in relation to the Land Improvement and Drainage Acts, the Architectural and Engineering branches in connection with Public Works and Buildings, and the Accounts branch dealing with Loans to Public Bodies, it is evident that practically no substantial reduction could be made in this branch of Public Expenditure. If there are to be, as the Home Rulers pretend, great Drainage schemes and Harbour constructions carried into effect by the Irish Parliament, and Irish Parliamentary and Official Buildings and Residences to be kept up, the amount of expenditure on the Public Works Office will be largely increased.

Valuation, &c., Survey, £42,000.

The expenses of the Valuation Office have increased by nearly £20,000 per annum under the 1909 Budget.

As, under Home Rule, Ireland will have to pay all the British taxes, and as they are to be collected by British taxgathers, it is certain that an attempt will be made to enforce rigorously the new land taxes. Once the Home Rule Act is carried there will be no object in concealing any longer the effect of the Budget on Ireland. The new Valuation will have to be carried out effectively, and not kept back as it has been hitherto to prevent the Irish people from feeling the effect of the Land Taxes. It is evident that the expenses of the Valuation Office must be greatly increased, and that no reduction in the expenditure is remotely possible. If on the other hand the expense of the new Land Valuation is treated as part of the collection of taxes and "Reserved" as an Imperial charge, then £20,000 per annum must be deducted from the "Transferred Sum" which Ireland is to receive.

Stationery and Printing, £54,000.

This expenditure must be very largely increased under Home Rule. The Stationery and Printing alone for the Public Departments in Ireland at present costs, according to the Estimates, £47,000. If there is a separate Parliament and Executive in Ireland the outlay under this heading will be at least doubled. The Memorandum by the Financial Secretary to the Treasury which introduces the Civil Estimates for 1912–13 states that the Stationery and Printing Estimate for the United Kingdom shows for the first time a gross total exceeding £1,000,000. The price of paper continues to rise, and the requirements of new Departments, especially the Insurance Department—in conjunction with the increasing business of other Departments, especially the Post Office with its additional Telephone

business taken over from the National Telephone Co.—are mainly responsible for the growth of this expenditure. Under Home Rule this Post Office Stationery expenditure, which must increase, will fall upon Ireland, and the expenses of printing and reporting of Irish members' speeches in College Green will greatly swell the estimate of £54,000.

Other Services, £85,000.

Among these Services are the Charitable Donations and Bequests expenses, Registrar-General's Office, Public Record Office, Lunacy Department and Chief Secretary's Staff. It is evident when the details are looked into that hardly any appreciable reduction could be made in these Departments if the Irish Executive was to take them over.

The expenditure in Class II. of the Voted Services will, under Home Rule, be much more likely largely to exceed the £643,500 at present required than to fall below it by any considerable amount.

It is evident, too, that even if reductions could be made in the future, no substantial saving can be anticipated for a considerable time. The existing staff cannot be disbanded without payment of their salaries or full pensions.

Class III.—Law and Justice, £642,000.

This does not include the Judicial salaries which are charged on the Consolidated Fund. It will be found on investigating the items under this class that Ireland cannot be financed by great reductions under this heading. Take the first item:—

Law Charges, &c., £65,500.

This item covers the salaries and fees of the Attorney-General, Solicitor-General, Crown Counsel and Crown

Solicitors, Solicitors for the various Departments of the Government, Expenses of Prosecutions and Witnesses at Assizes.

The amount estimated for Ireland in 1912–13 is £65,400, and for Scotland £67,900 for the same class of expenditure. As Scotland is considered a model of economy in her Public Services, Ireland cannot be much of a spendthrift if she conducts the same Services for £2,500 less.

Supreme Court &c., £113,000.

Under this item are grouped all the expenses and salaries connected not only with the Supreme Court and its offices, but the District Probate Registries, the Court of Bankruptcy, the Land Registry and Registry of Deeds, Trials of Election Petitions, Winter Assizes, Accountant-General's Office. The amount of reductions, if any, that could be made in expenditure would be trivial.

County Court Officers, £111,000.

This Vote covers the expenses of the Clerks of the Crown and Peace, salaries of Process Servers, Local Courts of Bankruptcy, Resident Magistrates, and expenses of Revision. No substantial reduction is possible under Home Rule.

Dublin Metropolitan Police, £96,500.

The total cost of the Dublin Police Force is £153,000, but £56,000 is contributed by the citizens of Dublin, who are rated at 8d. in the pound for the Police Force. That any reduction can be made in this force under Home Rule is highly improbable. The Irish Parliament will require a Police Force in its own precincts. If, however, any reduction could be made the benefit

should go to the ratepayers of Dublin in reduction of their rates, and not to general purposes in Ireland.

Prisons, £112,000.

This is an item which Home Rule Economists denounce as extravagant, comparing it unfavourably with the Scotch Prison Vote; but there is practically no difference in the amount of expenditure on the Prisons in Ireland and in Scotland. The Scotch Vote is £101,700 and the Irish £112,000, but £7,700 of the Irish Vote is a contribution to District Lunatic Asylums for the maintenance of Criminal Lunatics, including £3,600 for the maintenance of Insane Soldiers and Sailors who though they have committed no crime are classified as criminal lunatics owing to an oversight in drafting of a section in an Act of Parliament (1 Ed. 7, c. 17, sec. 6). There could be a substantial saving on the Prison Vote if arrangements are made by the Executive under Home Rule that there shall be no more convictions, but unless there is some thoroughgoing policy of this kind inaugurated, the Vote will have to remain very nearly at its present figure.

Reformatories and Industrial Schools, £112,000.

The expenses under this heading ought to be increased rather than diminished. All social reformers in Ireland demand the introduction and extension of the Day Industrial School system. The expenditure on this class of Schools in Ireland is at present only £500. It is £6,500 in Scotland.

Other Services, £32,000.

These are unspecified in the Estimates.

It is evident that no substantial economies can be effected under Class III., and even if some officials could

be dispensed with they must be pensioned off and their salaries deducted from the Transferred Sum.

Class IV.—Education, Science and Art, £2,009,500.

Public Education, £1,734,500.

The following quotations from the last Report of the Commissioners of National Education (Cd. 5903 of 1911) show the demands of Irish Primary Education. The grant will require large additions before it can be considered at all adequate. But under Home Rule it is to be arrested at this £1,734,500 unless the Irish people, in addition to being subject to all British taxation, can bear new and additional taxation to meet the increasing requirements of National Education upon which National progress depends:—

> "Owing to the want of funds we had been obliged to cease making grants to managers for building purposes since November, 1909. There were some 130 cases, representing approximately an expenditure of £135,000, in which we had approved of the erection of new buildings, besides over 100 in which we went making the necessary investigations. There were fully 600 other cases of unsuitable buildings where application had not yet been received, in addition to between 2,000 and 3,000 where additional accommodation or the provision of class-room was necessary."
>
> "We are gratified to be able to say that some measure of relief has been promised to us by His Majesty's Government."
>
> "We have frequently adverted in our correspondence with the Treasury to the fact that many existing buildings were so unsuitable and insanitary as to be a source of positive danger to the health of the pupils attending them. In November, 1910, we furnished the Treasury with lists containing some 225 cases, involving a total expenditure of over £200,000, in which, in our judgment, the

health of both teachers and pupils was being injured by the existing schoolhouses."[1]

"We must point out that the new grant is quite insufficient to meet the many applications for new buildings that we receive almost daily, and unless considerably augmented in the next and subsequent years will be found entirely inadequate to bring the school buildings of the country to a satisfactory standard of educational efficiency and hygenic comfort."

"The Teachers' Pension System still remains in the unsatisfactory condition mentioned in former reports, but as the Chancellor of the Exchequer has definitely promised on more than one occasion that this question will be dealt with comprehensively as soon as the National Insurance Bill now before Parliament has been disposed of, we have good hope of seeing this important matter put on a satisfactory basis early in the coming year."

The "dealing with it comprehensively" has been to hand over the matter to the Irish Parliament under the Home Rule Bill as a Transferred Service to which no further grants will ever be paid by the Imperial Exchequer than the amount of £1,734,500 or whatever the actual grant may be the day the Home Rule Bill becomes an Act.

"Before concluding. . . we desire to record a strong protest against the great delay in acceding to our proposals for the improvement of the system of National Education which we have put forward from time to time during the past eight years. We again point out that this delay is causing an irreparable loss to Primary Education, and we

---

[1] See the statement of the General Assembly's Committee of the Presbyterian Church in Ireland, and their appeal to the Government in reference to the "death-trap" condition of the Marlborough Street, Dublin, Undenominational Training College for Women Student Teachers.—*The Times*, 28th August, 1912.

The Commissioner's Report for 1905 stated, "There were then more than 1,000 National Schools in Ireland without any sanitary accommodation whatever."

earnestly urge that funds should be immediately placed at our disposal for according the children attending our National Schools opportunities for advancement similar to those enjoyed for many years past by the youth of Great Britain. We trust your Excellency will press upon the Treasury the need for a large increased grant from the Exchequer to meet our demands which have been steadily accumulating for many years."[1]

The following figures contrast the growth of the Education Grants in England, Scotland, and Ireland:—

	England.	Scotland.	Ireland.
Year	£	£	£
1902	9,744,000	1,391,000	1,382,000
1910	13,640,000	2,233,000	1,714,000
1911	14,375,000	2,335,000	1,656,000
1912	14,504,000	2,489,000	1,734,000

This Scotch Education Grant exceeds the Irish by £700,000. An additional half a million is according to competent educational authorities required to be made to the Irish Education Grant to place the system of Primary and Secondary Education on a satisfactory footing. The total "surplus" of £500,000 that is to be added for the first three years of Home Rule to the £5,462,000 expenditure on the Transferred Irish Services would be therefore absorbed if Irish Education were to be properly equipped. The finance of Irish Education and of the Irish Home Rule Bill are not compatible. That most distinguished Educational authority, Dr. W. J. M. Starkie, Litt.D., the Resident

[1] See Appendix for the Official Statement of the Commissioners of National Education in Ireland on the effect of the Home Rule Bill Finance on Primary Education, published 26th August, 1912. As *The Times* (28th August, 1912), said :—" It seems extraordinary that the authorities of the Department, which is thus to be sacrificed, have been refused permission to lay their personal protest before either the Prime Minister or the Chief Secretary."

Commissioner for National Education in Ireland, recently read a remarkable paper on Continuation Schools in Ireland before an Educational Congress in Cork. The following excerpts from it give some idea of the prospects of Irish Education under the Financial System of the Home Rule Bill of 1912:—

"In the face of the tardy recognition of our claims, one need be little of a cynic to appreciate the possibly unconscious irony of those who propose the stereotyping for all time of our present educational grants, not as an act of justice, but of magnanimity to a poor and afflicted country. It would be improper in one holding my official position to discuss political questions in public, and I am anxious that nobody should be able to gather from my words that I am either a supporter or opponent of the Irish Self-Government Bill. But, having been for the last thirteen years more intimately associated than almost any other Irishman with the finances of all grades of Irish Education, I conceive it to be my duty not to deprive my fellow-countrymen of any help I can afford them in the present crisis. The time has come for one who knows to be outspoken on a question in which the majority—to judge from their silence—are either unqualified, or afraid, to speak.

"Frankness may involve serious risks to an official, but, on the other hand, silence would be treason against the nation. As Danton once said: 'Que mon nom soit flêtri, et que la France soit libre.' 'Let my name perish, if only my cause prevail.' It is proposed that Irish Education, in common with all other transferred services, shall be represented in the bulk sum handed over to the Irish Parliament by the grants allocated to it at the time of the passing of the Act. While, according to Mr. Birrell, this arrangement will be "a tight fit," Mr. Samuel recently reminded the House of Commons that economies, amounting to over £1,000,000, should be easily realised, as it was generally admitted that Irish administration was

extraordinarily wasteful. I am sceptical as to the possibility of large economies in the other transferred services—always excepting the Law[1]—but I will speak of only of my own, which represents more than a fourth of the whole transferred revenue. With a full sense of responsibility, I confidently assert that Irish Educational administration, so far from being wasteful, is penurious. No doubt small schools may be closed or amalgamated; but, on account of vested rights, with infinite difficulty and heartburnings. We have already abolished over 300 such schools, but the resulting savings are small, as the teachers must be provided for, and the children have to be educated somewhere. In no other direction are large economies possible, except by reducing the number or the salaries of the teachers. Indeed, without such reductions, or the imposition of a rate, it will be impossible, on the basis of the present grant, to continue to pay existing salaries. To prove my contention, it suffices to mention a single fact, viz., that in respect of salaries alone, the automatic average annual increase in our vote is over £15,000. Thus insufficient provision has been made to maintain the Education services even at their present inadequate level, and no provision at all for their development, according to the acknowledged needs of the country."

Dr. Starkie then gives a list of the most pressing claims of Irish Education :—

"To some our claims may seem unreasonable; but those familiar with the encouragement given to education of all grades in poor countries like Wales, Denmark, or Switzerland, will think them the barest *minimum*. Of course, some of them are more clamant than others. In the order of urgency, I would give the unenviable pride of place to the assistants in the Intermediate Schools. Both in respect of salaries, and of security of tenure, their position is a disgrace to the country. It is sheer

---

[1] *Ne sutor ultra crepidam.* See *ante*, pp. 132, 148.

hypocrisy to pretend that for laymen Secondary teaching is anything but a degraded calling: it is, furthermore, a positive danger to the country when committed to men labouring under a sense of a most intolerable grievance and most bitter injustice. In Ireland, the prospects of a carpenter, a gardener, or a bargee are better than those of a Secondary teacher, however expensive his education has been, however high his university degrees. . . . .

"It is a wretched policy to start economies upon the defenceless children of the poor, whose only wealth is their spiritual gifts. As Mr. Wyndham once said in the House of Commons: 'These are the national asset of Ireland.' I, at least, who spend a large part of the year among them cannot steel myself to betray their interests, however perilous outspoken speech may be.

"I have thought it my duty to place before you what I consider to be the requirements of the hour. The sands in the hour-glass are running low; the time is approaching when the voice of warning will be heard too late. As I have said, the official handbook of the Conservatives has set its *imprimatur* upon our claims.[1] To me, speaking as an administrator, and not as a politician, it is indifferent which party assists us. Like the Apostles, I am all things to all men, provided they bring grist to my mill. But helped we must be by someone, unless, in respect of education, we are satisfied to sink to the condition of a province of the Ottoman Empire. The present crisis is not a time for those who love their country to be idle. Only two years remain for strenuous effort; if we fail now through slackness or timidity our responsibility will be great.

"My last word is that, if the present Education Grants are stereotyped at their present figure, the path of progress will be effectually blocked for a generation."

---

[1] *Against Home Rule.*

Science and Art, £138,500.

There is certainly no room for retrenchment in this most important item.

Universities and Colleges, £130,000.

This represents the grants to the Queen's University, Belfast, and the Colleges of the National University, viz., to University College, Dublin; University College, Cork; and University College, Galway. There is no room for cutting down in these supplies.

Other Services, £6,500.

The details of these Services are not specified in the Estimates.

It is evident that under Class IV. no financial expedient can be resorted to which will enable the Home Rule Chancellor of the Exchequer to economise in any one of these items. An expenditure of half a million should be added to Education—the most important of them. Under Home Rule there must be stagnation in all these branches of Civil Government unless the Irish people are super-taxed.

Class VI.—Non-effective and Charitable Services, £99,000.

Superannuation, £82,000.
Other Services, £17,000.

Grants to Hospitals, Infirmaries, and Orphanages.

Class VII.—Miscellaneous, £36,000.

Sundry Services, £36,000.

The total expenditure on these "Irish" Services which are to be transferred under Home Rule to the Irish Government is estimated in the White Paper at £5,462,000. The exact figure may be greater or less

according to the determination of the Joint Exchequer Board, which is to fix it as on the day the Home Rule becomes an Act of Parliament. It is, however, a sufficient estimate to enable the country to judge what possibility there will be of Irish solvency under this Home Rule system that has to depend upon extensive retrenchments being somehow made by cutting down the expenditure on the Transferred Services, the character of which has been examined in the preceding pages. The Imperial Government finds no field open for retrenchment in those Services, but the Cabinet proposes to set up a "struggling Irish Executive and expect them to make these economies with a losing Post Office on their hands, and with a clamour for the reform from top to bottom of the whole Educational system of Ireland; with half the Land Purchase system in Ireland unsettled and seething; with half the question of the labourers' unsettled as well; and when we are faced with the cost of starting a new Parliamentary Department with its costly offices"; and when "there are many poor people in Ireland who quite naturally cannot be acquainted with the details of this complex organisation and who have been soothed by the assurance that Mr. Gladstone's Bill of 1886—the only Home Rule Bill that Parnell assented to—was 'as moonlight is to sunlight' in comparison with the millenium this Bill promises."[1]

Economies in the Transferred Services Impossible.

Mr. Asquith in introducing the Bill stated that—

"The transferred sums plus the Postal Revenue would only or barely suffice to balance the account and make both ends meet. If Ireland is able to

---

[1] Mr. Wm O'Brien, M.P.—Parl. Deb., Vol. XXXVII., p. 1917.

economise in these services she will get the benefit of the economies, but if she spends more than comes to her as the Transferred Sum she will have to find the money for herself."

Lord MacDonnell, writing in the *Daily Chronicle* of 30th April, 1912, says:—

"The Bill errs in its singularly parsimonious treatment of the financial aspect of the case. Of course, the 'Transferred Sum' can be increased, and the deficit avoided; but, granting this, and assuming that the full surplus of £500,000 is available for expenditure by the Irish Parliament when the Bill becomes law, still the financial position of the new Government would be very straitened and limited. It is well known that Ireland is looking forward to the establishment of a Domestic Government with the hope of having those defects in her national equipment remedied which have long clamoured for redress. Her educational system has been starved, and is notoriously inefficient; a large system of arterial drainage is urgently required; greater harbour facilities are demanded by her Fishing Industries; in numerous other ways there is need of national betterment. This Bill will not enable the Irish Parliament, at all events during the provisional period, to effect these improvements. It will restrict the process of national betterment during the provisional period, while it gives no definite promise of better terms when that period comes to an end. In these circumstances, one can easily imagine the disappointment that will be felt in Ireland when the true financial meaning of the Bill, as it stands, comes to be understood."

Mr. Walter Long, speaking on the Second Reading of the Bill, said:—

"The financial proposals of the Bill are not only unsound, but they are dishonest. And for this reason: you talk about the economies which the Irish Government are going to secure. But knowing something of the Irish Government myself,

having had some experience of it, I venture to say I do not think there is any economy which can be effected in Irish Government that will make the surplus at their disposal worth talking of. Lord MacDonnell, who speaks with great authority on this question, takes precisely the same view."[1]

The General Council of the Irish County Councils report that:—

"In any event, and under the most favourable conditions, the sum available by the Irish Parliament under this scheme for the development of the country's resources would seem to us to be quite inadequate for the purpose. . . and they are unable to suggest any effective economies" in these Transferred Services.

Ireland's Allowance.

In addition to the receipts from the Irish Post Office which Ireland will retain, bearing all its expenses—far exceeding its profits—there is to be paid back from the Imperial Treasury such amount as at the date of the Home Rule Act will represent the cost of the Transferred Services which are to be controlled by the Irish Parliament. Added to the sum calculated to be the cost of the Services transferred to Ireland will be £500,000 for the first three years, to be diminished by £50,000 a year for six years until it falls to £200,000 per annum. This sum, termed the "surplus," plus the cost of the "Irish" Services transferred to the control of the Irish Parliament, is called the "Transferred Sum," and represents Ireland's separation alimony. As calculated by the Government in the White Paper, it is taken for the present to amount altogether to £6,127,000. Being reducible by £50,000

[1] Parl. Deb., 30th April, 1912, Vol. XXXVII., p. 1724.

per annum for three years, it may be assumed that Ireland in 1919 will receive an allowance of about £5,827,000, returned to her out of the Imperial Treasury into which all Irish taxes will be paid. The £5,462,000 set down as the cost of the Transferred Services is only an estimate at present. It is to be finally ascertained by the Joint Exchequer Board. They may find that the cost is less or more than £5,462,000. The maximum of the Transferred Sum will be rendered rigid at the sum which the Joint Exchequer Board may ascertain to represent the cost of the Transferred Services when the Act comes into force. But the Transferred Sum will be reduced if the Irish Parliament reduces the Imperial taxes levied in Ireland and Irish Revenue falls. It will also be liable to make good losses under the Land Purchase Acts, and deficiencies in the Church Temporalities Fund which will arise in meeting certain charges on that fund which would otherwise have to be provided by votes in Parliament. On the other hand, the Transferred Sum will not be increased though Irish taxation may be increased, while it may be lessened as Irish Revenue may fall, through the Irish Parliament attempting to exercise its powers of increasing or reducing taxation.

Mr. Herbert Samuel, the Postmaster-General, states:

> "The Transferred Sum will, therefore, at the first be rather more than £6,000,000 and will be reduced in the course of eight or nine years by a sum of about £300,000. This £6,000,000 is not, as has been represented—or rather misrepresented—in some organs of the Press, a grant from the British taxpayer. The whole of this amount is from Irish taxes, and it may be termed more strictly a retransferred sum, because it is all Irish money."[1]

[1] Parl. Deb., 1912, Vol. XXXVII., p. 66, see post, p. 221.

I have examined the items of the £5,462,000 representing the present cost of the Transferred Services with what may seem disproportionate detail: but it is all important. This sum will constitute the only substantial asset of Ireland apart from any Irish taxes which the Irish Parliament may propose. It appears that out of this £5,462,000 there must be deducted £20,000 representing the Lord Lieutenant's salary included in the first item of charge, £127,500, shown on the Consolidated Fund; and also £169,000, representing the Land Purchase operations of the Congested Districts Board. A comparison of the details of the White Paper with the Finance Accounts of the United Kingdom and the Estimates shows that these two sums ought not to be included as they represent expenditure not on "Irish" but on "Reserved" Services. If this is correct the £5,462,000 should be reduced to £5,273,000, but whether it is £5,462,000 or £5,273,000 it constitutes the main resource of Ireland. With it Ireland must pay her way, support her grants to Local Taxation, finance Law and Justice, Education, Science and Art, Public Works, and her Agricultural and Industrial Betterment. They do exhaust, and must exhaust, it all. There is not, and cannot be, any margin worth mortgaging for a main drainage scheme in any fair-sized Irish city.

CHAPTER IX.

The Transfer of the Post Office.

The Post Office is carried on at a loss of more than a quarter of a million a year at present in Ireland. But a great Capital charge—the Irish share of the Telephone purchase—is not brought into account in the White Paper, though Telephone Revenue is included. When the purchase price of the Telephone system is ascertained, Ireland must, under the Bill, pay her apportioned share of the Capital liability for this purchase, as well as of the Telegraph system. The Post Office Revenue under Irish control will not return even as much Revenue as it now does. For ten years to come Ireland will receive no profits from the lucrative Banking Branch of the Post Office Service, nor can she use the cash of Irish depositors for the purposes of an Irish Local Loan Fund. These deposits will remain in England to finance Cancellation of National Debt and Local Loans.

Severance of the Savings Bank.

The transfer of the Letter and Telegraph Duties of the Post Office is one of the most dangerous, and the retention of Savings Banks and Friendly Societies Branch of the Service one of the most embarrassing proposals of this extraordinary Bill. The dichotomy of this great Imperial department may commend itself as "cutting a loss" to the arithmetical politicians who are jobbing away English interests on the maxims of petty cash, and to the Irish politicians who are anxious to job Ireland on the principles of Tammany Hall, but what a model it affords for the incipient Home Rule promised to Scotland, Wales, and England with their divided Letter and Telegraph Services and combined

Banking, and Post Office Insurance Services in the days of Home Rule All Round! What a first step in Federalism or Heptarchism, and what a contribution to National Defence and strategical power!

The Bill provides in Clause 2 (11) (*e*) that the Irish Parliament shall not have power to make laws in respect of Post Office Savings Banks, Trustee Savings Banks, and Friendly Societies: Provided that this limitation on the powers of the Irish Parliament shall cease if the service is transferred to the Irish Government subsequently under the Act, and any law made in contravention of this prohibition shall be void.

Clause 4 (*b*) of the Bill reserves from the control of the Irish Parliament any services in respect of which it has no power to make laws. Accordingly the Savings Bank and Trustee Savings Bank and Friendly Societies Branch of the Post Office is a Reserved Service, but the other branches of Post Office administration —the Postal and Telegraph and Telephonic business are not Reserved and are to be controlled by the Irish Government.

Clause 5 of the Bill enables the Irish Parliament after ten years from the date of Home Rule to serve a year's notice and take over the Reserved Services in connection with the Post Office Savings Bank, Trustees Savings Bank, and Friendly Societies.

The Irish people have great confidence in the Post Office Savings Bank, and the Peasantry, Labouring, and Artizan Classes deposit nearly all their savings in the Post Office.

The following table shows the position of the Post Office Savings Bank Department in Ireland. It will be noticed that there is a much larger average sum standing to the credit of cash account in Ireland than in the other portions of the United Kingdom.

TABLE

Showing the Estimated Balances of Deposits, on June 30 of the Undermentioned Years, in the Post Office and Trustees Savings Banks respectively in Ireland; and also the Total Deposits for Both.

Year	Post Office Savings Bank	Trustee Savings Bank	Total Deposits in Savings Banks in Ireland
	£	£	£
1833	—	1,380,718	1,380,718
1844	—	2,749,107	2,749,107
1860	—	2,143,082	2,143,082
1870	633,000	2,062,758	2,695,758
1880	1,481,000	2,063,000	3.544,000
1885	2,325,000	2,022,000	4,347,000
1890	3,585,000	2,035,000	5,620,000
1895	5,337,000	2,034,000	7,371,000
1900	7,791,000	2,295,000	10,086,000
1905	10,037,000	2,459,000	12,496,000
1906	10,459,000	2,490,000	12,949,000
1907	10,637,000	2,496,000	13,133,000
1908	10,627,000	2,446,000	13,073,000
1909	11,187,000	2,466,000	13,653,000
1910	11,660,000	2,501,000	14,161,000
1911	12,253,000	2,557,000	14,810,000

The number of accounts open in the Post Office and Trustees Savings Banks in Ireland has risen from 212,076 in 1891 to 662,589 in 1910,[1] while the average amount to credit of each account in the United Kingdom is as follows[2] :—

		Proportion to Population
England and Wales	£19 16 4	1 in 4.76
Scotland ...	18 5 6	1 in 12.09
Ireland ...	27 2 6	1 in 9.97

[1] 1911, Cd. No. 5934. [2] 1911, Cd. No. 5868.

Mr. Herbert Samuel, the Postmaster-General, on the Second Reading Debate, said:—

"The reason why this provision is inserted with regard to the Post Office can be best explained in the words of the Report of the Committee itself. They say that—'The Post Office is different. With a falling population in Ireland and with no very marked enhancement in the general activities of the country, an increase of nearly 74 per cent. in fifteen years in the cost of running the business of the Post Office certainly requires explanation, and from the evidence of the Accountant-General of the Post Office, we gather that it must be attributed in great measure to enlarged postal facilities entailing extra expense and augmentations of pay, both of which were considered to be required in Great Britain and under a unified system of administration should be extended to Ireland, notwithstanding that the circumstances of Ireland taken by themselves would not under either head have justified such a large addition to the cost of the establishment there. 'In conclusion,' they say, 'on these facts we hold, and the experience of the last two years amply confirms the theory, that the financial partnership with Great Britain does involve in Ireland a scale of expense that is beyond her requirements and beyond the natural resources of the country itself. The matter seems to us of great and increasing importance.'"

"Mr. Austen Chamberlain: Will the right hon. Gentleman allow me to ask him whether he supposes that following upon that recommendation the first act of the Irish Parliament will be to reduce the salaries and the services of the Post Office?"

"Mr. Herbert Samuel: The right hon. Gentleman surely is aware that the interests of all existing Post Office servants are fully safeguarded by the Bill."

"Mr. Austen Chamberlain: Where is the economy?"

"Mr. Herbert Samuel: The first act of the Irish Parliament is not the only act, and the Irish people

> and the Irish Parliament will have to consider this matter for themselves. I do not prophesy anything as to the future. All I say is that the Finance Committee drew special attention to the fact that expenditure on the Post Office in Ireland not merely had increased, but was continually increasing year by year, and that so long as control rests with this country it is impossible in any degree to stop that increase."[1]

Irish Post Office Servants and the Bill.

In previous pages the reason of the increased expense of the Irish Post Office Service has been stated. It is the result of the Jubilee Post Office Concessions in the benefit of which Ireland shared along with the rest of the United Kingdom.[2]

On the 3rd August, 1912, a statement was published in the newspapers which has been issued on the subject of Irish Post Office Servants and the Home Rule Bill by the Service Organisations' Committee, formed for the purpose of dealing with Post Office Amendments to the Bill. It contained the following:—

> "Ireland being in a much greater degree a rural country than England or Scotland to grant the public the same postal facilities in Ireland is proportionately more costly than it is in Great Britain. Outside Dublin, Belfast, and other industrial centres the areas are so scattered that the maintenance of a regular postal service represents a large outlay, while the income from these areas is extremely small. The consequence of this is a deficit of something approaching £300,000 per annum, representing approximately 20 per cent. of a loss on the working of the Irish postal service.
>
> "The Board of Trade returns taken in 1906–7

[1] Parl. Deb., 1912. Vol. XXXVIII., p. 268.
[2] See *ante*, p 51.

showed that the cost of living in Ireland was practically the same as in England and Scotland, and, indeed, specific comparisons will show that between Dublin and Belfast and cities of a corresponding size across the Channel, the cost of living is higher in the two former. The work imposed on Irish Post Office officials equals in importance, and is quite as varied in character as that performed by English or Scotch officials. This would clearly indicate that the Irish official is entitled to the same treatment in the matter of pay and conditions of service as that accorded to his colleague in Great Britain. That being so, he would have substantial ground for complaint if his transference from the Imperial service, with its profit of about £5,000,000 annually, to a strictly Irish service, in a non-paying condition, meant to him impaired prospects and possible reduction of salary. That his fears in this direction are not groundless the Committee feel convinced, and will endeavour to state as succinctly as possible the grounds of the Irish postal officials' apprehensions.

"The Committee appointed to inquire into the financial relations of Great Britain and Ireland, which was presided over by Sir Henry Primrose, has, in its report recently published, given expression to views, which, if applied, must fill the minds of the Post Office officials with serious misgivings. In their Report the Committee state, in effect, that the Irish Post Office service is being worked at quite too costly a figure. The Committee even goes so far as to state that the salaries paid to officials are not justified by the circumstances of their employment, and would not have been granted but for the fact that the unified system was in operation when the present scales of pay were granted. The Service Organisations' Committee cannot concur in this finding. As has already been stated, the cost of living in the large centres in Ireland is as high, and in some instances, higher, than it is in cross-Channel centres. In the House of Commons Mr. Herbert Samuel, explaining the reasons which weighed with the Government in

transferring the Irish postal service, accepted the view of the Financial Relations Committee, and justified the transfer on the ground that economy would be effected. When challenged as to the position of present holders of office in the Irish service, Mr. Samuel said their interests were safeguarded by the schedules, but when further pressed on the point he said he would not prophesy anything as to the future.

"The Government in handing over the Post Office to the Irish Executive, invites, in effect, the newly-established authority to practice economies in administration which were not possible, on their own showing, when the Post Office was under Imperial control. How is this to be accomplished? Along what lines must economical administration run? The Cabinet are doubtless fully alive to the fact that no proposal would be acceptable to the public which entailed a reduction or a curtailment of postal facilities, for the central idea in the mind of the public is that in the first place the Post Office exists to minister to the needs of the public, and any purpose it may serve in a profit-earning concern must be subordinate to this idea. It, therefore, follows that economies in administration must all be directed against the employés.

"The Irish Government is placed under no obligation in the bill to maintain the present proportion of superior appointments, and it can easily be seen how a reduction in these would adversely affect conditions of service; also the duties now in the hands of the various classes could be transferred to lower grades of officials or lower scales of pay, and doubtless this would be among the earliest economical expedients resorted to.

"The Service Organisations' Committee is strongly of opinion that the officers in Ireland now serving under the Imperial Government should not be transferred unless by their own deliberate choice."

The General Council of the County Court and Post Office Transfers.

The General Council of the County Councils reports thus on the proposed transfer:—

> "Whilst we are prepared in the interests of homogeneity of administration to take over the Postal Services, with an annual loss estimated at a quarter of a million, in connection with a settlement on the basis of collected Revenue, it would be highly inequitable, if adjusted Revenue is to form the basis of settlement, to expect a poor country like Ireland to maintain a costly Postal Service at her sole expense, and to act as an unpaid distributive agency in regard to a volume of Mail matter duty paid in Great Britain vastly in excess of the volume of Mail matter duty paid in Ireland, handled for distribution by the Postal Service of Great Britain."

The Apprehensions of Irish Post Office Depositors.

Mr. Redmond informed the Home Rule Convention in Dublin on 23rd April, 1912, that—

> "He was not disclosing any secret when he told them that they thought the reservation of the Savings Banks for a certain number of years would be useful in order to prevent a movement to be set on foot to damage Irish credit and the Irish Government."

This is a remarkable tribute to the sound financial intuitions of the Irish peasantry. They profoundly distrust Home Rule, and though they have not moral courage to come out openly and declare their hostility, and dare not, in the face of the organised tyranny of the League and the Molly Maguire's, venture to protest

against it,[1] they will not entrust their money to the keeping of the financiers of the United Irish League, who will control the Irish Exchequer, and who were thus aptly described by Mr. T. A. Kettle, a former Secretary of the League:—

> "Let us just quietly examine the composition of the United Irish League. On its roll of membership there are no landlords or ex-landlords, few merchants, fewer Irish manufacturers. There are few of the men who are managing the business of Ireland in city or town connected with the League. The bankers who regulate our finances, the railway or transit men who control our trade, internal and external, even the leading cattle men who handle most of our animal produce, are not to be found in its ranks."[2]

Mr. Redmond recollects the panic caused among the Post Office depositors in Ireland by Mr. Gladstone's Bill of 1893. A striking instance of the distrust of Home Rule entertained by the small shopkeepers, farmers, domestic servants, and artisans in Ireland was shown by the effect of the Post Office Clauses of the Home Rule Bill of 1893, under which the Savings Bank business was transferred to the Irish Government. For the first time in the history of the Post Office Savings Bank a decrease took place in Irish deposits, instead of

---

[1] As an example of what can occur the following extract from the Newspapers of 9th August, 1912, is instructive:—"Mullingar Council; its Vice-Chairman brought to book for attending Unionist meeting."

"Mullingar, 8th August, 1912—At a meeting to-day of the Mullingar Rural District Council—Mr. Joseph O'Neill, J.P., Chairman, presiding, Mr. D. Gavigan moved the following resolution:—

"That we call upon Mr. Jeremiah J Gibson, the Vice-Chairman of this Council for an explanation of his action in attending a Unionist meeting to protest against Home Rule This being a Nationalist Council, and Mr. Gibson having been unanimously elected to the Vice-Chair, with the object of showing our toleration to him and all other Protestants, and believing him to be a supporter of our claim for self-government at the time he was appointed, we call on Mr. Gibson for an explanation on this day fortnight of his action."—*Irish Times*, August 9, 1912.

[2] Letter from Mr. T. A. Kettle, in *Freeman's Journal*, July 18, 1907.

the unbroken record of increasing deposits. Withdrawals immediately began, and for the half-year ending 30th June, 1893, there was a decrease of £49,000 in Post Office Savings Banks, and £111,000 in Trustee Savings Banks. Immediately the Bill was rejected deposits began to flow in again, and for the half year 31st December, 1893, there was an increase of £86,000 to replace the £49,000 decrease of June; while in the next year—1894—the enormous amount of £532,000, and in 1895 £650,000, appear as increases.[1]

But in fact an Irish Government could not take over the liabilities of the Post Office Savings Bank and Trustee Savings Bank, which now amount to nearly £15,000,000. There are no assets which the Irish Government could make available to secure the deposits. Nor would it be convenient for the British Chancellor of the Exchequer to transfer to or hold ready for the Irish Exchequer fifteen millions of cash or securities to cover the Irish liability. The Post Office Savings Bank business is centralised in London, and this complicated business is controlled as a unified service for the three Kingdoms. The labour and expense of the transfer would be enormous and the hope evidently is that something may turn up before ten years, and that the difficulty may be solved on Mr. Micawber's principles.

Is Ireland to Pay for the Reserved Post Office Services?

Under the proposed plan of a divided Post Office Service, dual control and severed responsibility, questions of vast difficulty and complication must arise. Neither the Bill or White Paper throws any light upon

---

[1] See *Home Rule: What Is It?* by A. W. Samuels, p. 62.

the question of expenses. The British Government is to control the Banking Department. The expenditure in relation to it is great; keeping the accounts, printing and distributing the forms, examining and checking the returns of the Postal officials in every Post Office in Ireland: all this costs great sums and requires an experienced and most efficient staff. Is Ireland to pay for this staff and outlay and not to control the service? The Irish Postmaster-General cannot frame a regulation, or the Irish Executive formulate an order, or the Irish Parliament pass an enactment in relation to such matters. They would be absolutely void. Who is to appoint the staff, command them and dismiss them in relation to this great Banking business? The Irish Post Office officials will have to serve two Postmasters—the Postmaster-General for Great Britain and the Postmaster-General for Ireland—and one Paymaster, the Irish Government. If this administrative tangle can be solved, is it to be all at the expense of Ireland? If it is not so to be, then the finance of the Bill must be recast.

The British Government is to collect the taxes, appoint the taxgatherers and control the Customs. The Service is Reserved, and the Imperial Government finances it. The Customs barrier created by the Bill necessitates a Customs control of the enormous Parcel Post consignments between Ireland and Great Britain. The Post Office officials are to be appointed by the Irish Government, and the Post Office is to be financed by Ireland. Which Government is to appoint officials and superintend and pay for the Customs Services of the Postal employees under Home Rule?

The Imperial Aspect of the Post Office Transfer.

Apart from all these perplexities and above them stand high Imperial questions.

Sir John C. Lamb, C.B., C.M.S., whose great experience and distinguished career in connection with the Post Office and International Telegraphic Services has been recognised not only by the British but by many Foreign Governments, and who is entitled to speak with the very highest authority, wrote a letter to the *Spectator* on 27th April, 1912, from which the following excerpts are taken :—

> "Since the date of the last Home Rule Bill events in Australia and South Africa have presented us with two fresh object lessons. There was a separate Post Office in each of the six Australian Colonies, but now there is a single united administration for the whole Commonwealth. South Africa had four independent Postal and Telegraph systems, but under the Union they have become one. The framers of the new Constitutions saw so clearly the necessity for undivided control that, to gain their end, they went the length of breaking up established and independent organisations which had received recognition all over the world. In our case no such painful process is called for. All that we have to do in order to follow Colonial precedent is to let well alone, and easy as this is, the reasons for it are tenfold stronger than those which led the Colonial statesmen into their difficult, though prudent, course.
>
> "The Postal and Telegraph systems of Ireland and Great Britain are far more interdependent than the Colonial systems were, and in their interdependent condition they are far more related to those of Foreign States and private companies, and infinitely more essential to the defence and general administration of the Empire.
>
> "To take defence alone no Commander-in-Chief or Council of Defence could efficiently control the

action of the Naval and Military forces of the Kingdom without unity of administration in the telegraphs. To no country in the world is unity of telegraphs so vital in time of war as it is to this country.

"Look, for example, at the chain of war-signalling stations round the coast, whence intelligence has to be sent to headquarters for collation and distribution, and where orders from headquarters and information from other signalling stations have to be communicated to the Naval and Military commanders. It is the Telegraph system which makes these stations of any use.

"Mere co-operation between Ireland and Great Britain at a critical time would not be sufficient; nor would even temporary subordination. The Telegraph Director, if he is to give efficient help to the Army and the Navy in war, must not merely have the Irish Telegraphs at his disposal for the occasion, but must have planned and maintained them from an Imperial point of view, and must possess that mastery of them which can only come through familiar acquaintance and continuous management.

"But if this be so, it is equally clear that, for Commerce and Industry, unity of administration in the Telegraphs is an essential condition of efficiency. Experienced administrators know how often they have fallen short when they have tried to secure efficiency in the relations between the Telegraphs of this country and those of Foreign States—how often they have lamented that they could not go into an important Telegraph Office abroad and insist on having their wishes carried out.

"It is unity of administration, extending to every station, whether on British or on Foreign territory, which makes the system of a great cable company so efficient, and enables it to serve the public so much better than any combination of States; and it is unity of administration which secures such measure of efficiency as the public now

enjoy in the Telegraphic communications between this country and Ireland. In Telegraph affairs no part of the United Kingdom can live to itself; every part is intimately concerned in the telegraphs of every other part, and they all rejoice or suffer together. It may in truth be said that the telegraphs are the nerves of the State in all its concerns.

"1. By the Act 31 and 32 Vict., Section 16, the Postmaster-General is required to set apart for newspapers during the night, whether in Great Britain or in Ireland, special wires, with telegraphists to work them, at a charge not exceeding £500 a year. How will this obligation be met under the Bill?

"2. He is required to provide land wires for the cable companies, whether their cables land in Ireland or elsewhere in the United Kingdom. Is he to be relieved by Order in Council of part of this statutory obligation?

"3. Will the Irish Government have authority to grant licences to infringe the Postmaster-General's monopolies in Ireland?

"4. Will it have the power to restrict the free delivery of telegrams, and thus make it more costly in many cases for an Englishman to send a telegram to Ireland than for an Irishman to send one to England?

"5. Will it control the Wireless Telegraph Stations in Ireland?

"6. Will it be able to displace the Royal Engineers who are employed under the Post Office in the South of Ireland; and, if so, how will the Military authorities secure for them that practical training in Telegraph work which they consider so important? (The Post Office maintains the Railway Telegraphs in Ireland but not in Great Britain, and could not give the Royal Engineers any training in Railway Telegraphs elsewhere than in Ireland.)

"7. The Board of Trade, after consultation with

the Post Office and other Departments, grants or refuses permission for the landing of submarine cables on the shores of the United Kingdom. Is this power to be reserved? It is a matter on which large questions of policy arise, affecting the position of the United Kingdom as a centre of telegraphic communication.

"8. Will the Irish Government have the power to charge separate terminal and transit rates on telegrams to and from places abroad; and will it have the power to break down the uniform charge for telegrams within the United Kingdom and to prescribe different rules for the counting of words, etc.? 'Regulations' under an 'Order in Council' providing for 'apportioning any receipts and expenses' and 'for facilities being given' would not appear to meet the case.

"We might ask more questions, but perhaps these are sufficient to show in what direction the objections to separation in the Telegraph Service lie."

Serious questions of State policy are also involved in the powers now so carefully guarded of opening suspected letters in transit through the Post.

In cases, for instance, of suspected Treason or Treason Felony, or Espionage or other political crime, is the warrant to open or detain a letter to issue on the request of the Irish or British Executive, and if the Irish Post Office refuses to facilitate the English Government, in such a case who is to decide, and what is the remedy?

Ireland will claim to be separately represented at International Postal and Telegraphic Conferences, and the position of the Irish Post Office, whether Ireland is directly represented or not, in treaties relating to the control of Wireless Telegraphy and Ocean Cables will have to be separately provided for.[1]

[1] See Parl. Deb., 9th May, 1912, p. 358—Answer to Mr. Amery.

Ireland, under the Bill, is to keep the revenue and meet the expenditure of the Irish Post Office. Taking the loss to exceed a quarter of a million per annum, is it probable that the Parliament at Westminster will hear the last of Irish Post Office questions, such as "delay in the Postal Service of some hamlet in Connemara" which Mr. Asquith complained of in his speech introducing the Home Rule Bill of 1912, or will not there be more "typical Irish cases illustrated by the Order Paper of almost any day of the week of the Parliamentary Session"?[1]

[1] Parl. Deb., 1912, Vol. XXXVI., p. 1400.

CHAPTER X.

The Borrowing Powers of the Irish Government.

Having examined the financial obligations involved in carrying on the Irish Services transferred to the control of the Irish Parliament, let us consider the prospect held out by the Bill to Ireland in respect of Public Loans.

The £500,000 "surplus," the decreasing alimony of Ireland, will be required to set up her separate establishment and finance the losses of her Postal Service. What is the outlook? Government is carried on upon credit—like any other great business, public or private. Ireland is taxed at this moment to the utmost: she cannot contribute more. Her Excise is overtaxed. Her land will be monstrously overtaxed when the Lloyd George Budget tells upon her. With the transfer of land and the departure, under Home Rule, of the landlord class from Irish residences, Income Tax and Death Duties will fall. There are no Irish assets that can be discovered to heap taxation on. As Mr. Herbert Samuel said, "The Irish Parliament will have to be extremely ingenious to devise new taxation."[1] If Income Tax is raised, how can Irish traders or merchants compete with British rivals, and what man or woman of means will remain in Ireland? If Customs Duties on tea and sugar are raised, what will be the position of the Irish

[1] Parl. Deb., 1912, Vol. XXXVII., p. 75.

consumer, comparatively poor and needy, as contrasted with the British consumer of these necessaries of life?

The General Council of the County Councils disputes Mr. Herbert Samuel's optimism about the growth of Irish Revenue, and the contention

> "that the growing prosperity of Ireland is sufficient to warrant the belief that the country is able to bear a considerable increase in taxation."

They say:—

> "Faced as we are by a decrease in the area under tillage in Ireland, amounting to upwards of 400,000 acres during the past 20 years; by the fact that this is a continuing movement, and by the further fact that our population is still leaving our shores, although in somewhat diminished numbers, we cannot adopt the optimistic view that we are marching along the high-road to great prosperity, and although we earnestly hope that this pleasurable anticipation may prove to be well founded, it would be unwise to mortgage the results of that prosperity before we have achieved it, or to assume that the yield of taxation, 76 per cent. of which is indirect, from a declining population, is likely to increase more rapidly in future than it has done in the past.
>
> "It should be remembered that the nation at large has in recent years made great sacrifice in aid of its staple industry—agriculture—and the expenditure of approximately £1,000,000 per annum from our slender resources in support of the Department of Agriculture, the Congested Districts Board and Land Purchase, would certainly not be justified if it did not result in a reasonable improvement in the financial position of the farming community; but that improvement is not sufficient to justify any considerable increase of taxation on a still struggling industry, which has recently been called upon to face somewhat onerous demands in the shape of death duties and other imposts.
>
> "In our view increased taxation is the keynote of the financial provisions of the Bill."

What, then, are the borrowing powers of Ireland to be, and why must she borrow? Her borrowing powers consist in her being able to show a Revenue that can be raised, outside the £6,000,000 Transferred Sum, by new taxation; and upon her being able to borrow on the credit of the £6,000,000 Transferred Sum. Her powers were thus stated by Mr. Herbert Samuel, on the First Reading[1]:—

> "With respect to loans, if the new Government desires to borrow money for drainage or other purposes of National Development they will, of course, have power to do so. I believe it is possible, as they are a new Government, that the rate of interest would be lighter than would be payable by an old-established Government."
>
> "Mr. T. Healy: What security have you left us to offer?"
>
> "Mr. Herbert Samuel: The whole of the Irish Revenue and with it the Transferred Sum—six millions a year—will be in the hands of the Irish Government, and they can borrow on that security. I do not suppose it is suggested that the Irish Parliament ought to borrow without having money to pay the interest and Sinking Fund. It must pay the interest and Sinking Fund out of Taxation and out of the Revenues in hand. There is another provision in the Bill in regard to loans. It may be possibly found to be a great advantage to the Irish Government should they have occasion to borrow and should they wish not to depend only on the internal resources of Ireland for such a loan to have an alternative power placed in their hands. They will be enabled by legislation to arrange with the Joint Exchequer Board for that Board to issue the loan on their behalf, and to make provision for the payment of interest and Sinking Fund charges out of Irish Revenues by way of deductions from the Transferred Sum before the Transferred Sum goes over to the Irish Exchequer."

---

[1] Parl. Deb., Vol. XXXVII., p. 71.

The Bill contains a far-reaching provision that any stock or securities issued in respect of any loan raised by the Irish Government shall be Trustee Securities under the Trustee Act, 1893.[1]

Borrowing on the Security of the Transferred Sum.

Examination of the character and conditions of the "Irish" Services which are to be supplied out of the Transferred Sum shows that not only is it impossible that any substantial reduction can be made in these Services, but it is certain that there is and must be an insistent demand for large increases in the two greatest of them; that is, for Education and grants in aid of Local Taxation, and that accordingly there is no margin upon which Irish Loans can be financed, existing in the Transferred Sum. But even were there some substantial surplus to borrow upon, it would be impossible for the Irish Government to raise loans upon its security except at exhorbitant rates of interest.

In the first place, the Transferred Sum is liable to reduction in the event of the Irish Parliament reducing or discontinuing any Imperial Tax.[2] This liability to depreciation of the Capital of the Transferred Sum by the exercise of taxing powers on the part of the Irish Parliament is an example of the extraordinary finance of this Bill which is advocated in the cause of freedom. No financiers could possibly be found to lend on the security of the Transferred Sum unless most stringent guarantees were given by the Irish Parliament not to diminish it by attempting to discontinue or reduce any Imperial Taxes. The condition of a Securing Loan

---

[1] Clause 23 (4).

[2] See *ante*, p. 127, as to the prior charges on and the deductions from the Transferred Sum.

would be a covenant not to exercise the powers of varying taxation. To carry on Government it will be necessary to borrow: if Ireland borrows on the security of the Transferred Sum she must surrender any power to reduce Imperial taxation. If she attempts to reduce taxation, she destroys her credit. If she borrows, she cannot vary taxes: if she varies taxes, she cannot borrow. The 17th Section provides that in the event of the reduction or discontinuance of any Imperial Tax by the Irish Parliament, the Transferred Sum shall be reduced in each financial year by such sum as may be determined by the Exchequer Board to represent the amount by which the proceeds of the tax are diminished in that year in consequence of the reduction or discontinuance.

In the second place, the Transferred Sum—even if a lender was willing to risk the chances of depreciation of his capital security through the Irish Parliament exercising the powers of varying taxes—would afford a very unsatisfactory basis for loans. It is already twice hypothecated by the Bill. The 18th Section transfers most serious risks from the Guarantee Fund under the Irish Land Purchase Acts to the Transferred Sum. Deficiencies arising on account of the dividends and Sinking Fund payments of Guarantee Land Stock under the Land Act of 1891, and deficiencies in the Income of the Land Purchase Fund on account of the dividends on Stock under the Act of 1903, and arrears of annual payments by the Land Commission to the National Debt Commissioners, through default of tenants paying their annuities, are charged on the Transferred Sum, and must be made good by deductions from it. As Mr. Wyndham said, on the Second Reading (8th May, 1912):—

"The Transferred Sum, the only stable income

of the New Parliament at Dublin, is to be hypothecated in the first place for all the loss which may accrue from Land Purchase. In the past we have had many eager debates about the unfairness of this or that loss for any reason falling upon the rates. Is it not a serious matter for a Government setting up for the first time to bear all the loss which may accrue from Land Purchase upon the only income on which they are to rely for carrying on the Government?"

Thirdly, the 20th Section throws upon the Transferred Sum all the existing charges on the Irish Church Fund guaranteed by the Treasury. This Capital liability amounts, according to the last Report of the Church Temporalities Department, to £3,250,000.[1] As Mr. Wyndham said:—

"The Transferred Sum is also hypothecated for any purpose now chargeable to the Irish Church Fund. That for many years has been a matter of book-keeping. It depends upon who keeps the books, and those books are now to be kept, not at Dublin, but at Whitehall, and I wonder whether this slender income of the Dublin Government will stand this second load of hypothecation, seeing it is the only sum on which they can rely for carrying on the Government of Ireland."[2]

There is a very substantial liability imposed upon the Transferred Sum by this Clause. As previously mentioned, the Primrose Committee reports as follows:—

"Certain Irish Services are at present being financed out of the surplus of the Irish Church Temporalities Fund, and amongst them is a subsidy of £70,000 per annum to the Department of Agriculture which is used for technical instruction and other similar purposes. The grant was sanctioned for a period of fifteen years from 1900,

---

[1] H. C. 303 of 1911.
[2] Parl. Deb., 1912, Vol. XXXVIII., p. 426.

at the end of which time its amount was to be revised by the Treasury, 'having regard to the then state of the Church Fund.' We had it in evidence that by 1915 the position of the Fund would be such that it would not be able to provide in subsequent years for an annuity of such a large amount as £70,000. Therefore, unless the subsidy is to be reduced, some charge in respect of it may fall on the Parliamentary Votes."

The policy of secrecy which is being pursued by the Cabinet hoodwinks the British and Irish public and prevents this evidence from being disclosed, and the conditions of the liability which is to be imposed on the Transferred Sum are thus concealed. It is evident, however, that whatever way it be, this all-important branch of practical education in Ireland is destined for sacrifice under Home Rule, and that a charge exists upon the Transferred Sum the position of which is not disclosed. In a Court of Equity a transaction of such a character, where Civil rights were involved, would be set aside as fraudulent; but in dealings involving the financial rights of a nation, such concealment appears to have the highest Ministerial sanction.

The General Council of the County Councils concludes that—

"Whatever increases of revenue, economies and increased taxation may provide must be set off at least to a certain extent by deductions from the 'Transferred Sum.' Any utilization of the power to raise loans on the security of the Transferred Sum, 'save for reproductive works, would be to invite National bankruptcy.'"

Practically, therefore, the Transferred Sum which, as Mr. Asquith stated, is only barely sufficient to finance the Transferred Services, will afford a very unsatisfactory and inadequate security for large loans, and recourse

must be had to the imposition of extra Irish taxation. Here the borrowing powers of the Irish Parliament are ostensibly unlimited and uncontrolled.

It may, under the Bill, float loans to any amount and at any rate of interest—the rate of interest must be high, as the Postmaster-General admits—and these loans will be a Trustee Security.[1] But here intervenes a most dangerous source of conflict between Great Britain and Ireland. Great Britain gathers and controls all Irish taxes and pays them into the Imperial Treasury. The Imperial Treasury captures and retains all the surplus yield over ten per cent. of the few productive sources of Irish Revenue. When the Irish Government borrows, the Imperial Government cannot repudiate responsibility in the World's money markets. It administers Irish taxes and keeps Ireland's purse and authorises trustees to invest in Irish Loans bearing high interest, as gilt-edged securities. The British Treasury, as the Receiver over Irish Revenue, cannot allow the creditors to be defrauded. It cannot permit repudiation, but it cannot restrain extravagance.[2] If the British Government cries down an Irish loan, what financial disasters and National antipathy will arise! Ireland may retaliate by refusing Executive assistance to the Imperial Government to collect the Imperial taxes and the Land Purchase Annuities payable by tenant purchasers, and thus shake to the foundation the Imperial credit.

But as a matter of practical finance, would it be possible for the Irish Government to borrow on the security of new Irish Taxation? Irishmen

---

[1] Parl. Deb., 1912. Vol. XXXVII., p. 72.

[2] Mr. Wyndham's speech on the Second reading—Parl. Deb., Vol. XXXVIII., p. 424; and Report of the Primrose Committee—Cd. 6153 of 1912, p. 28. See *Quarterly Review*, July, 1912, p. 289. See letter of Mr. James F. Mason, M.P., in *Times*, 1st June, 1912.

under Home Rule will be twice taxed. They will be taxed both by the London Parliament and the Dublin Parliament. They will be taxed by every British Budget, just as England and Scotland will be taxed. They will, under Home Rule, have to pay Irish taxes laid upon them by the Irish Parliament, while Englishmen and Scotchmen will not have to pay these Irish taxes. It is impossible to expect that taxation can be decreased under Home Rule: it must be heavily increased. All over Ireland, north and south, east and west, manufacturers, traders, and farmers will have to pay more taxes than their competitors in England and Scotland. How can they successfully contend with competitors in Great Britain or with rivals in foreign lands? For professional men and people of independent means, who will have to bear two sets of taxes, Ireland will become the most expensive place in the United Kingdom to live in, and they will desert it.

Sir John Nutting, an authority of the highest standing on finance, wrote to the papers of 8th December, 1911, as follows:—

> "Mr. Redmond suggests reform of the Poor Law, the Railway System, Arterial Drainage, Education, and Promotion of Tillage, etc., as matters to be dealt with immediately by the Irish Parliament. Any, or all, of these would necessitate the raising of huge sums of money, and the question arises: at what rate would an Irish Government be able to raise money? If 5 per cent. interest had to be paid on Irish Consols, all Irish securities, such as railway debentures and preference stocks, municipal loans, and mortgages, etc., would immediately be depreciated in capital value at least 20 per cent. This must unavoidably happen when Home Rule is law."

Ireland must put aside all ideas of great schemes of afforestation and arterial drainage and transit develop-

ment. They cannot be entertained under Home Rule. Funds will not be found to finance them. You cannot beggar the rest of Ireland with taxation to drain the Bann or the Barrow, or the Shannon; and unless you can tax, you cannot borrow.

But, again, would it be practically possible to borrow on the security of the Transferred Sum through the management of the Joint Exchequer Board? In the first place, this would be mortgaging with a first charge the fund which must finance Local Government Grants and Education and support the whole administration of the Irish Services, on which it will be impossible to economise. Therefore, if a loan is thus effected, the efficiency of these Services must be docked. But is the Joint Exchequer Board, which is predominantly British in its composition, likely to permit an Irish Chancellor to borrow on the credit of the Transferred Sum when no margin can exist in it to satisfy the interest or Sinking Fund of any loan? If they did permit it, they would be sharply checked by the British Parliamentary Veto. As Mr. Bonar Law pointed out, on the Second Reading, if England permits an insolvent Ireland to borrow, England would have to guarantee the loan. Under Home Rule it is preposterous to expect that the British Parliament would permit such financing for a moment.[1]

> "The Exchequer Board—the most powerful body in Ireland, far superior to any Prime Minister, for they will have to decide not on matters of fact, but on matters of opinion; and on questions which will settle how much Revenue Ireland will have—the Exchequer Board is to issue loans to any extent justified by the security of this Transferred Sum. But in any case that body is appointed by this House. It is under us, and we shall undoubtedly

[1] Parl. Deb., 9th May, 1912, Vol. XXXVIII, p. 677.

be liable for the loans created under such conditions. Yet over those loans and over the Government which issues them, and over the way the money is spent, this House will not have a shadow of control.

"That is not all. The Irish Government can borrow to any extent it please without regard to the Exchequer Board or anyone else. It is true that nominally it must borrow on Irish Security, but it is made a Trustee Stock, and is there any body would doubt that so long as Ireland is nominally a part of the United Kingdom we could not allow her to repudiate her debt? We know that. The financial gentlemen will know it, too, and they will issue loans, not at a reasonable price, as if we were responsible: they will look at it as a gamble with a double security, whatever Ireland is worth and the chance of our making it good. In that way Ireland will raise money in a manner in which if it was a Colony it could not raise it. That is not a mere imaginary danger. . . . Inexperienced men try to get to the Millennium in a hurry, and the way they will do it is by all sorts of schemes for improving the condition of Ireland. They borrow money for the purpose, and the result is in reality this House becomes liable for Capital sums which it would never itself sanction, and over the expenditure of which it has absolutely no control. That is what is called 'cutting our losses.'"

But if this is the British outlook, what is the outlook for the unfortunate merchants, manufacturers, professional men, farmers, traders, artisans, and taxpayers in any grade—man and woman—in Ireland? Is it not absolute ruin if such borrowing powers are exercised? And yet, if they are not exercised, what remains for Ireland but stagnation? The whole situation begets a dilemma and a deadlock. What a financial nexus to create between the countries! What a golden link of galling economic conflicts! The whole thing is welded

with antagonisms. But assume these loans are issued and Ireland is supertaxed to meet them, what becomes of the financial scheme of this marvellous and monstrous measure? How could Great Britain possibly stand over the claim to arrest any yield over ten per cent. of the Irish supertaxes of the Imperial taxes wrung from the miserable twice mulcted Irish taxpayer, to pay the heavy interest on these loans, when the Irish Government finds itself baffled and bankrupt, if it attempts to carry out the promised policy of National development and to manage Ireland's "purely Irish concerns" under the Home Rule regime where "Freedom is greater than Finance"? This Bill, designed to bar Ireland from the Imperial credit, will in result blast that Imperial credit.

Ireland and the Local Loan Fund.

On the threshold of the Financial Clauses of the Bill stands the provision that Ireland shall no more enjoy the Imperial credit.

> "Money for loans in Ireland shall cease to be advanced either by the Public Works Commissioners or out of the Local Loans Fund."[1]

Ireland deprived of this Imperial credit will all the while continue to be taxed by every Imperial Budget. Ireland, under this Bill, will be made creditless. This 14th Clause provides that all right of Ireland to call upon the credit of the Imperial Local Loans Fund must cease on the day the Act comes into being. Take up the last Report of the Local Government Board, 1911, and see what Irish authorities borrow for, and remember all this credit stops on the appointed day. The local

[1] Clause 14 (3).

indebtedness of Ireland for the last two years was as follows:—

1911	£23,390,000
1910	22,066,000
Increase in 1911 ...	£1,324,000

For all the purposes covered by such loans she must look elsewhere for financial aid than to the Imperial Local Loan Funds under Home Rule. There will be nothing for them in the Irish Consolidated Fund. The Transferred Sum will be a mere myth for borrowing purposes for the Irish Government. There, certainly, will not be even a legend of its existence for local Authorities to finance their needs with. Corporations, County Councils, Lunatic Asylum Boards, Water Commissioners, Rural Districts and Boards of Guardians, and Harbour Authorities may close their books, stop their contracts, and cease their operations as far as any further advances for any scheme of social amelioration, Public Health, or Municipal or County progress have been thus supplied. The day this Bill becomes an Act, Home Rule is for them doom. So, too, farmers and land owners, churches and glebes, drainage and land improvements, all must cease to borrow from the Exchequer. The Board of Works will make no more advances—the £23,000,000 outstanding will be paid into the Imperial Exchequer as the interest and Sinking Funds come in year by year; but not a farthing will be advanced in Ireland for all these purposes again. Ireland will be without credit under the Home Rule Bill, she will have no freedom—Constitutional or Financial. She cannot borrow, she can raise no revenues to pledge, she can offer no security in her Transferred Sum. It is pledged and over-pledged

already. Under modern conditions, a country that cannot command itself and cannot command credit is a bankrupt State. Such will be Ireland under the finances of this Home Rule Bill. On Nationalists this Bill is an Imposture, to Unionists an Outrage, for Ireland a Tragedy, for England a Dishonour.[1]

[1] Loans to Irish Local Bodies are at present outstanding to the amount of £23,400,000. (See Local Taxation (Ireland) Returns, Cd. 6084, 1912, p. xxxi.) Up to the 31st March, 1910, loans to Irish farmers for Land Improvement have been made under various Acts by the Board of Works to the amount of £5,626,000. In the year 1910, 704 tenant purchasers under the Land Acts applied for loans to enable them to improve their holdings. (Report of Commissioners of Public Works (Ireland), Cd. 1911, p. 40.)

The disaster which Home Rule Finance will impose on the farmers of Ireland may be judged from the following facts:—

Under Clause 14 (3) of the Bill no more loans will be made to them through the Board of Works—for Farm Buildings, Field Works, Drainage, Fencing, Farm Cottages, Planting for Shelter, or any other purposes. They borrow most extensively for these purposes at present, and the agricultural advance of the country is largely dependent on their thus obtaining cheap money. The loans are repaid with punctuality, and are well secured. The stoppage of the Imperial Credit will involve serious economic results, and will injure a great source of Food Supply for Great Britain.

It appears from the last Report of the Commissioners of Public Works in Ireland, that up to 31st March, 1910—

Leinster Farmers borrowed over One Million Six Hundred Thousand for these purposes from the Board of Works:—

Carlow	borrowed	£117,000
Dublin	,,	109,000
Kildare	,,	163,000
Kilkenny	,,	94,000
King's	,,	78,000
Longford	,,	189,000
Louth	,,	50,000
Meath	,,	227,000
Queen's	,,	177,000
Westmeath	,,	115,000
Wexford	,,	158,000
Wicklow	,,	138,000

In 1910 alone:—

Carlow	Farmers	borrowed	£550
Dublin	,,	,,	1,200
Kildare	,,	,,	3,920
Kilkenny	,,	,,	2,570
King's	,,	,,	455
Longford	,,	,,	960
Louth	,,	,,	135
Meath	,,	,,	3,080
Queen's	,,	,,	1,590
Westmeath	,,	,,	1,040
Wexford	,,	,,	1,870
Wicklow	,,	,,	2,120

CHAPTER XI.

The Divided Executives in Relation to the Constabulary.

Mr. Bonar Law asked, on the Second Reading, "Are you going to have two Executive Governments in Ireland, one to look after the Reserved Services and the other to look after the Irish Services?"[1] There has been no reply, and there is no solution. If there are to be two Executives in Ireland, what a duplication of expense with which to "cut the loss"! In the case of

---

Munster Farmers borrowed over Two Millions for these purposes from the Board of Works up to 31st March, 1910:—

Clare	borrowed	£184,000
Cork	,,	497,000
Kerry	,,	496,000
Limerick	,,	436,000
Tipperary	,,	276,000
Waterford	,,	112,000

In the year 1910 alone:—

Clare	Farmers	borrowed	£300
Cork	,,	,,	2,000
Kerry	,,	,,	1,000
Limerick	,,	,,	1,570
Tipperary	,,	,,	1,480
Waterford	,,	,,	500

Connaught Farmers borrowed over One Million One Hundred Thousand from the Board of Works up to 31st March, 1910:—

Galway	borrowed	£405,900
Leitrim	,,	78,000
Mayo	,,	235,600
Roscommon	,,	239,700
Sligo	,,	142,700

And Ulster Farmers borrowed over Nine Hundred Thousand for these purposes up to 31st March, 1910:—

Antrim	borrowed	£141,700
Armagh	,,	23,800
Cavan	,,	58,200
Donegal	,,	191,700
Down	,,	108,700
Fermanagh	,,	93,200
Londonderry	,,	82,500
Monaghan	,,	47,600
Tyrone	,,	154,800

It is remarkable how much the Farmers of the Nationalist South and West of Ireland have availed themselves of these facilities for obtaining money at a cheap rate of interest from the Government. The Statesmanship and Finance of Home Rule is to deprive them of this help for the future.

[1] Parl. Deb., Vol. XXXVIII., p. 679.

Land the Legislative powers are to be split with Land Purchase at Westminster and Rent Fixing at Dublin, but how are the Executive powers in relation to it to be divided?[1] How are they to operate in the Congested Districts embracing, as now scheduled, nearly one-third of Ireland, where under Home Rule allegiance in some respects will be due to Dublin and in others to Westminster? The same divided control and severed duties will affect every Post Office employee; but let us consider the case of the Police. In Dublin the Metropolitan Police are at once to pass to the control of the Irish Government from that of the Imperial Government. In all the rest of Ireland the Imperial Government will for six years control and pay the Police, and at the end of this period they will pass to the dominion of the Irish Parliament and Executive. Mr. Herbert Samuel explained the position of the Police Force thus:—

> "The police will be under the orders of their own Inspector-General of Constabulary, and he in turn will be under the orders of the Lord Lieutenant. The Lord Lieutenant, like all Colonial Governors, has a dual capacity: so far as Imperial Services are concerned he is under the general direction of the Imperial Authorities, and so far as Local Government is concerned he acts upon the advice of his Constitutional Ministers as an Imperial officer. This is a temporary provision during six years."

This explanation reveals no solution. The Constabulary are to be financed from the Imperial Exchequer during the first six years directly, and afterwards by the Transferred Sum being increased to such amount as the Exchequer Board determines to be the proper charge to add to the Transferred Sum to meet the expenditure for

[1] See Mr. Wyndham's speech—Parl. Deb., 1912, Vol. XXXVIII., p. 425.

the future. Lord Welby comments thus upon the finance of the transfer of the Police:—

> "The Constabulary charge is fixed at first at £1,337,000. If in six years of Imperial control the cost rises to (say) £1,500,000, £1,500,000 will be the sum transferred; but the Bill does not say what is to happen if the cost were to fall (say) to £1,300,000. Explanation is needed as to the effect of the proviso that regard is to be had to the *prospect* of any increase or decrease expected to arise from causes not being matters of administration."[1]

We may gather from Lord Welby's view on the propriety of the Imperial Government retaining the collection and regulation of taxes that the Ulster difficulty has controlled the six years' destinies of the Police Force. He writes:—

> "If difficulties on the subject of the collection of taxes should arise in parts of Ireland the Imperial Government will settle them with an authority which the new Irish Government cannot possess."[2]

There will be difficulties about collecting taxes in other parts of Ireland than Ulster, and of another kind, under Home Rule.

> "The Government are gambling on the chance of good government in Ireland," as Mr. Bonar Law said. "They are certainly going to set up one new industry in Ireland, the industry of smuggling. Just think what the proposals mean. The Irish Parliament is to have power to reduce to any extent they like any duty imposed by the Imperial Parliament. Take the duty on tea or tobacco. Suppose they take off the duty on tea and make the duty on tobacco half what it is, in that case you will have to have Customs House arrangements just as complete as you have now with any foreign

---

[1] The *New Irish Constitution*, p. 151.
[2] p. 153.

country . . . but more than that it would pay every consumer in England to have all their tobacco and all their tea sent by Parcel Post."

Under existing circumstances the Royal Irish Constabulary are the Revenue Police of Ireland. In 1853 the Revenue Police, which used to cost £65,000 per annum, were disbanded and their duties transferred to the Royal Irish Constabulary.[1] Are these duties to be severed again under Home Rule? Are the Revenue Police, whether Constabulary or a separate body, to be entitled on behalf of the British Executive to rummage the Parcel Post under the control of the Irish Executive? Are the Post officials under Irish control to check the Customs declarations in the case of the Parcel Post on behalf of the British Executive, and if so, which country is to pay them—England or Ireland? These things may be said to be matters of adjustment, but the finance of adjustment may capsize the calculations upon which Ireland is to finance herself with the six millions "barely sufficient to make two ends meet."

But consider other aspects of the dual control of the Constabulary.

Mr. Balfour said, in his speech on the First Reading:—

> "We pay for the police for six years. Is it the Home Secretary who gives directions or some officer responsible to the Cabinet or the Crown? If it is, then I do not see how the Irish Government are to be made responsible for law and order; if it is not, what an anomaly is that. We are to pay all the great sums required to keep this magnificent force in existence, but we are to have nothing to do with their control. Supposing these police, for whom we pay, are used against Ulster, are you or are you not going to have questions asked in this

[1] See *Financial Relations Report*, Vol. II., App. XIV., p. 237.

House as to the orders given to the Constabulary in dealing with Ulster? If you are going to have questions in this House on that point, evidently the House is not relieved of any questions dealing with law and order in Ireland. Any questions about evictions in Connemara, or whatever they may be, will come before this House exactly as now. On the other hand, if you give the opposite answer and tell me that while we pay for the police they are to be used exactly as the Irish Executive chooses within the limits of Ireland, you may have to sit here helpless, while those whom you are paying and whom you have appointed are doing things which would be regarded with horror by the British Government and the British public."[1]

Mr. Walter Long pressed another aspect of the matter:—

"If hard times come, do you think Nationalist members who have hitherto been in the habit of going to farmers and telling them not to pay their rents but to put them by to fight the landlords and their agents, will not go down again? Do you think because the Hon. Member for East Mayo (Mr. Dillon) becomes Home Secretary or Chancellor of the Exchequer for Ireland he will be altered in his practices because he accepts this office? Do you think that because he is a Minister he will refuse to go down and give the tenantry the advice he has given them before? Who, then, is to step in between the tenants and the Estates Commissioners, or whoever the responsible authority may be? The Lord Lieutenant—the unfortunate Lord Lieutenant who is to be alone in Ireland without any Minister to advise him, without any body to tell him what is the best thing to do—he is to be called upon to employ the police—against whom? Against some members of the Irish Government who are sitting in Dublin alongside of him, and above all to whom the police will be looking as their future administrator when the six years elapse.

[1] Parl. Deb., 1912, Vol. XXXVII., p. 48.

> Was anything ever proposed in the name of Government administration so hopelessly ridiculous as this? I wonder who are you going to get to fill the post of Lord Lieutenant, when he is to be there for five years, when he is to have no adviser in Dublin, and when his duty is to be to call the police into operation in order to check the action of the Irish Representative Government of the day. It has only to be stated to appear in all its nakedness and to be rejected by any practical body of men."[1]

The Bill provides innumerable opportunities for collision between the British and Irish Executives. Collision is inevitable. The interests of the two Executives will frequently be diametrically opposite. Both may be acting with perfect legality within their sphere. In any event, it is not the duty of a police officer to canvass the orders he receives from the Executive. He must obey, and he obeys at the risk of the Executive who indemnify him if he becomes personally responsible for carrying out their orders. But what effect will this collision of Executives have upon the discipline of this great force? And how will the British public be content to finance it under circumstances such as these?

Suppose the Irish Parliament uses its powers of taxation for the purposes of extortion and as an engine of tyranny, as the organisers of the National League openly declare they will do, is the British public to finance the police that will have to enforce this legal tyranny?

A meeting was held recently in Roscommon addressed by one of the organisers sent down specially from the head office in Dublin in the place of one of the members of Parliament, who was unable to attend. He said:—

"Mr. Fallon said the coming Irish Parliament

---

[1] Parl. Deb., 1912, Vol. XXXVII., p. 205.

> would get rid of the graziers. They would have the power of putting as big taxes as they liked on every ranche in the country, and then some of their friends would feel the shoe pinching, for if they did not give up the lands, they would give money in the stead of taxes. It was more than one hundred to one the Irish Parliament would put heavy taxes on every ranche in Ireland."[1]

All over the country this sort of speech is heard and this sort of expectation is entertained. There is no question that the "landless men" intend to have the grass lands and large farms broken up and divided under Home Rule and that the Parliament will set about doing it. Land legislation is within its powers, and unquestionably it will use these powers to carry into effect the agrarian policy of the League and the Molly Maguires. This legislation may revolt the British sense of honesty and justice, but the Police, under British pay and control, will be under the Constitutional liability to carry out the Irish law, and the British Executive cannot prevent the Irish Executive employing the police to enforce their legislation, however tyrannous and confiscatory it may be.

Whether the Police Force is paid by the Imperial Exchequer and commanded under British auspices or not, it must obey from the commencement and enforce all the commands of the Irish Executive. Assume that the Irish Parliament passes some law which, however antagonistic it may be to British interests and however confiscatory it is, and however unjust it may appear to the British public, yet has in Ireland the force of law, then the Irish Executive must carry out this law and the Courts must decide in accordance with such law and

---

[1] *Roscommon Messenger*, 20th April, 1912—See Speech of Mr. Mitchell Thompson, M P., Parl. Deb., Vol. XXXVIII., p. 123.

decree judgment and execution to follow. The Inspector-General of the Royal Irish Constabulary and every officer and member of the force, from highest to lowest, must, when called upon, carry out and assist in the execution of such process. The writ will be the King's writ. The Constabulary when called upon by the Sheriff or other person executing the writ must aid. No command of the English Executive will avail them or justify their failure to assist in enforcing the Court's decrees. The British Constitution will compel them to violate the British conscience. They cannot be halted in their ranks awaiting the revocation of the Irish Act of Parliament by the "Parliament of the United Kingdom" at Westminster.

The following are the words of Lord Chief Baron Palles, one of the greatest judicial authorities in the Three Kingdoms, stating the legal obligation of the Constabulary to assist in the execution of the decrees of the Courts, although the highest Executive authority in Ireland had directed the Constabulary not to interfere actively in the case of certain executions:—

> "I hope that this matter will receive the consideration it deserves from persons in high authority; but I desire it to be thoroughly understood that the execution of the decrees of the Judiciary in this country does not depend—and it does not, I believe, depend in any civilised country—upon the will of the Executive who for the moment may happen to be in office. Into the execution of any writs we cannot allow any question of party politics to enter. If the law be wrong, let that law be altered by the Legislature, and the Judges will at the moment carry out the law as altered. But they cannot look beyond the law. It is not competent for them or to any other person to go behind the law and to ask whether in his own opinion or in that of others that law is just or unjust. When judgment is once

given—the judgment of a Court of Law acting within the scope of its jurisdiction—it is not competent to any one in this Kingdom—I care not how high he may be—to say that a writ regularly issued on foot of that judgment shall not be executed, or to prevent those who by law are bound to aid in its execution from giving that aid and assistance which the Constitution requires.

"The Constabulary are officers of the Peace. They are part of the *posse comitatus*. The Sheriff is entitled to demand and to receive their assistance. No illegal order or unconstitutional order given by an official—be he Inspector-General or, going higher, even Under-Secretary or Chief Secretary to the Lord Lieutenant—can justify any man in his violation of the law; and however high soever the position of these officials may be they are bound by our Constitution to obey the law in the same way as the humblest man who walks the streets."[1]

What answer could there be to the Irish Government commanding this "Reserved Service," the police, to carry out the law of Ireland? Whatever opinion the British people or Parliament might entertain of that Irish law, until repealed it is the law and must be obeyed.

"In the very face of this Bill the Irish Government are made responsible for law and order in Ireland. The instruments of law and order are the police. The police are a Reserved Service. The Irish Government cannot dismiss a policeman, they cannot alter the pay of a policeman . . . therefore in the very first and elementary duties thrown upon the Government they find themselves hampered, clogged, entangled in the meshes of this Bill."[2]

Therefore England must police the Irish Executive. The Irish Executive will carry out the law of Ireland.

---

[1] *Judgments of the Supreme Courts in Ireland*, 1890, p. 23.
[2] Mr. Balfour—Parl. Deb., 1912, Vol. XXXVII., p. 2067.

The Irish Parliament will enact those laws; the Irish Parliament will be returned by the National League and the Molly Maguires, whose ragged and irregular emissaries will be replaced by the uniformed and disciplined forces of the Crown, financed by the British Government.

CHAPTER XII.

The Pretence of the mperial Parliament Continuing as the Parliament of the United Kingdom.

One of the features of the Bill is the pretence that the Union between Great Britain and Ireland will be still maintained though two Parliaments, two Executives, and two Exchequers are to be; and the Joint Exchequer Board is created to control the two Parliaments and two Exchequers.

Consider merely the Financial aspects of the Bill and it is possible to see how completely the Union is repealed.

1. There will be an Irish Exchequer and an Irish Consolidated Fund separate from that of the United Kingdom.

The Supplementary Act to the Act of Union, the Act for the Amalgamation of the Exchequers and creating one Consolidated Fund of Great Britain and Ireland passed in 1817 is thus repealed.

2. All taxes collected in Ireland, whether Imperial or Irish, are to be paid into the Imperial Exchequer and out of the Imperial Exchequer Ireland is to receive back the Transferred Sum, plus the £600,000 reducible alimony.

The provisions of the Act of Union and the Act for Consolidating the Exchequers under which all taxes were to be applied indiscriminately for the services of every part of the United Kingdom and Empire according to the direction of Parliament of the United Kingdom are thus repealed.

3. The Imperial Parliament will continue to tax Ireland with the same taxes as it taxes England and Scotland. Ireland will only have 42 members instead of 103 in the House of Commons.

The Act of Union under which Ireland is entitled to 100 members is thus repealed unfairly as there is no redistribution, and Ireland is deliberately maimed in her representation, so that, as the Prime Minister stated, her representatives may not be able to influence British Governments in Parliament with effect.

4. The Irish Parliament will have power to tax Ireland either by way of addition to the British taxes or by novel and separate taxes.

This repeals the Act of Union by which all individuals in the Three Kingdoms pay equal taxes. Irishmen will be doubly taxed under Home Rule. They were never so taxed in their history before. England never taxed Ireland. Neither before Grattan's Parliament or at any other time had she any power to tax Ireland. No other portion of the British Empire is doubly taxed. The Imperial Parliament has renounced all taxing authority outside the United Kingdom. Ireland will for the first time in history be an example of a people under the British Crown having to pay every tax levied on England and to pay also taxes levied by its own Parliament. This monstrous innovation violates not only the Act of Union, but all principles of Constitutional Government, of recognised finance, and of liberty.

The Joint Exchequer Board.

Compare, again, the Act of Union with its clear financial plan, with the complications introduced by the creation and powers of the Joint Exchequer Board.

Two classes of provision in the Home Rule Bill testify to the extraordinary degradation of the status of the Imperial Parliament and of the Kingdom of Ireland which will eventuate from Home Rule. The Constitutional powers of the Irish Parliament are not only specially subordinated to the Imperial Parliament, and its laws made subject to the power of direct repeal by the Imperial Parliament, but they will also be *ipso facto* nullified if in conflict with an Act of the Imperial Parliament passed afterwards and extending to Ireland; while the Courts of Law can declare any Irish Act to be beyond the power of the Irish Parliament; and the Privy Council in England can be summoned, either by the Lord Lieutenant or by a British Secretary of State, who can get an injunction practically restraining the Irish Parliament from proceeding with a Bill. No such humiliation was ever imposed on the Irish Parliament in all its history. Poyning's Law was liberty compared to this humiliation. It reduces Ireland below the position of a Colony —but Ireland never was a Colony in status, she was always a kingdom, and her statutes were statutes of a Sovereign Parliament within the limits of Ireland.

But the limits on the Constitutional powers of the so-called Parliament can, at any rate, be contested before the Privy Council or a Court of Law. Her fiscal powers are subject, not to law, but to the discretion of a Board of Five, called the Joint Exchequer Board, which is to be given powers altogether unexampled in the history of any nation and altogether unknown to British principles. Two British officials and two Irish officials nominated by the Treasuries of Britain and Ireland and another member nominated by the Crown—that is the British Prime Minister—are to control the financial

destinies of Ireland, and the Parliament of Ireland and the Imperial Parliament. The powers of this autocratic body are as follows:—

1. It is to determine the net cost to the Exchequer of the Irish Services transferred to the Irish Parliament on the passing of the Home Rule Act.

That is to say, it is to assess the amount of the Transferred Sum on which Ireland is to finance herself by way of allowance.

2. It is to determine what is the yield of any tax imposed by the Irish Parliament either by way of addition to an Imperial Tax or as an independent tax.

3. It is to determine to what extent the proceeds of any Customs or Excise Duty levied by the Irish Parliament are to be deemed proceeds of an Irish tax or of an Imperial tax.

4. It is to determine how much is to be lopped off the Transferred Sum payable to Ireland in the event of the Irish Parliament reducing or discontinuing any Imperial tax.

5. It is to determine whether the yield of any Irish additional Income Tax or Death Duty or Customs Duty (other than on beer or spirits) imposed as an addition to the British duty exceeds the British tax yield in Ireland by ten per cent.; and to direct, as a consequence, that any excess so ascertained shall not be paid to the Irish Exchequer but be kept by the British Exchequer.

6. It is to determine, in the event of the Irish Government taking over any Reserved Service; (*a*) what is the equivalent of any saving to the British Exchequer by the transfer of such Service to Ireland; and it is to decide whether the expense of such service would be likely to increase or decrease; and (*b*) it can direct that

the Transferred Sum shall vary during ten years after the transfer.

7. It can determine any matter connected with the Transferred Sum, or with Irish Revenue or Expenditure or the cost of any Reserved Service which may be referred to it by the Imperial Treasury and the Treasury of Ireland jointly.

8. It has power to control the imposition by the Parliament of Ireland of any independent tax by declaring that such tax is substantially the same as an Imperial tax.

9. If loans are raised by the Irish Government on the credit of the Transferred Sum the Exchequer Board can undertake the issue and management of the loan and the sum necessary for meeting the charges of the loan are to be paid to the Exchequer Board instead of to the Irish Exchequer.

10. The Board is to decide what is from time to time the true Revenue of Ireland as distinguished from the "True Revenue" of Great Britain.

Every one of these decisions is likely to lead to the severest criticism and provoke the sharpest conflict between the two peoples. The Irish people will assuredly never submit to be bound by the decision of such a body, and the two Parliaments will be constantly in conflict trying to protect the interests of their separate Exchequers.

11. Finally, if it appears to the Exchequer Board that during three successive years the total yield of Imperial taxes in Ireland, together with any share in the Miscellaneous Revenue of the United Kingdom to which the Exchequer Board may consider Ireland to be entitled, has exceeded in each year the amount of the Transferred Sum, together with the cost of the then Reserved

Services, the Board shall report this to the Lord Lieutenant, and to the Treasury, and thereupon a novel "Parliament of the United Kingdom" shall proceed to revise the financial arrangements of the Act—

> "With a view to securing a proper contribution from Irish Revenues towards the Common Expenditure of the United Kingdom and extending the powers of the Irish Parliament and the Irish Government with respect to the imposition and collection of taxes."

When this operation takes place, such number of members of the Irish House of Commons are to be summoned to Westminster as will make the representation of Ireland equivalent to the representation of Great Britain on the basis of population.

This is the most marvellous piece of Constitution mongering that has ever yet been conceived. The destinies of Ireland and her Parliament and of Great Britain and the Imperial Parliament in its relation to Ireland: the gigantic financial operations of the conflicting and tangled revenues of Ireland and Great Britain: the determination of the yield of Customs, Excise, Income Tax, and Death Duties; of the effect of the incidence of taxation when imposed or remitted or varied; and the power to summon the Imperial Parliament to recast its own Constitution and remodel the Home Rule Constitution, so that Ireland may be ultimately compelled to contribute more and more to the Common Expenditure—though taxed all the while by every British Budget—all this rests in the arbitrament of these Five Dictators.

> "Could you have a more contentious series of questions to refer to any body? All these matters —as far as they are matters of relevance at the present time—are matters now in dispute. What

chance do you think there is that this House will gain relief from Irish troubles so long as all these questions are to be settled by a Commission of this kind and every decision of that kind can be brought under review of this House by either section of the remaining Irish members or by any other party that may be aggrieved. It is idle for members to hold that provisions such as these afford them any relief from their past troubles, or that by such methods as these they will secure that respite for the calm and untroubled consideration of British reforms which they profess is so dear to their hearts, but which the necessity of Constitutional change so constantly forces them to withhold."[1]

[1] Mr. Austen Chamberlain—Parl. Deb., 1912, Vol. XXXVIII., p. 254.

CHAPTER XIII.

The Financial Scheme of the Bill.

The most important financial principle in the whole Bill is concealed in the first Clause by words that apparently have nothing whatever to do with finance, and ostensibly are merely an innocent declaration of the supreme authority of the Imperial Parliament—a mere Constitutional truism.

> "Notwithstanding the establishment of the Irish Parliament or anything contained in this Act, the Supreme Power and Authority of the Parliament of the United Kingdom shall remain unaffected and undiminished over all persons matters and things in His Majesty's Dominions."

In Committee the final words have been changed to "in Ireland and every part thereof," but the principle involved is not affected.

The Government states that the Clause is merely inserted because similar words were in the Bill of 1893, and were then introduced at the suggestion of the Unionist Party. The Prime Minister admitted they were introduced in violation of precedents taken from Colonial Constitutions, but said this was done because—

> "You are dealing with a state of facts which historically, economically, and politically have no parallel in any other part of the Empire."

But he added:—

> "He believed very strongly—had, in fact, a credulous belief—in the necessity for asserting

effectively and in practice the supremacy of the Imperial Parliament in circumstances which will rarely, if ever, arise. Nothing could be worse; nothing could be more futile, or could be more irritating than to contemplate a state of things in which the Imperial Parliament would exercise day by day, month by month, a nagging, grandmotherly supervision over the action of the Irish Legislature and the Irish Executive."

But he said:—

"In his opinion no such provision is necessary. I do not think the omission of this sub-section would in the least degree either expressly or by implication impair the Sovereignty of the Imperial Parliament."[1]

It is the White Paper "Outline of the Financial Provisions"[2] of the Bill that reveals the real reason for the insertion of this "superfluous" clause. The clause is inserted as a subterfuge to get rid of the necessity of a clear specific declaration that the Parliament of Great Britain —it will no longer under Home Rule be in reality "The Parliament of the United Kingdom"—is, under the retained and unreal title of "The Parliament of the United Kingdom," to exert a power "historically, economically, and politically without parallel" to tax Ireland. This differentiates the insertion of the clause in the Bill of 1912 completely from its insertion in the Bill of 1893. The Bill of 1893 did not arrogate to the Imperial Parliament general powers to tax Ireland. Customs and Excise Duties were for fifteen years to be retained as a security for the Irish contribution to Imperial Expenditure by the Imperial Parliament, but all other taxes were to be imposed by the Irish Legislature. When

[1] Parl. Deb., 1912, Vol. XL., p. 783. [2] Cd. 6154 of 1912.

the mistake in the Treasury calculation made necessary a recast of the financial clauses, the retention of taxing powers by the Imperial Parliament was limited to six years. There was no prerogative claimed that the Budgets of the Imperial Parliament were to be the real taxing authority for Ireland. This is a fundamental difference.

The White Paper states:—

> "*The Bill makes no specific reference to the powers of the Imperial Parliament to levy taxation in Ireland. The provision in Clause I., that the supreme power and authority of the Parliament of the United Kingdom shall remain unaffected, retains the existing powers of the Imperial Parliament in this regard.*"

This preambulary clause is the most important financial clause in the whole Bill though it purports to be nothing but a simple declaration of a Constitutional platitude. Under its cover and under the pretence of maintaining the Union, the most direct violation of the rights of Irish subjects under the Union not to be subjected to higher taxation than British subjects takes place.

Under its cover the historical and hitherto unchallenged rights of the people of the Kingdom of Ireland only to be taxed by their own Parliament, or by the Parliament in which they have their full representation under the Treaty of the Union is violated.

Every settled tenet of the British Constitution in relation to the taxation of the Colonies and Dominions is also violated.

There is not a financial proposal in this Bill which does not run counter not only to the most cherished traditions of Irish National sentiment, Irish National achievement, and Irish historic and settled Constitu-

tional rights, but to the settled principles of the British Constitution alike in Home and Colonial financial administration. Ireland was never taxed by the British Parliament: the Parliament of England never had, and never claimed such a right. The Parliament of the United Kingdom which at the time of the Union acquired powers to tax Ireland, was a Parliament formed by the incorporation of the Parliament of Great Britain and of the Parliament of Ireland into one Parliament, and it was a Treaty Clause of that Union, and it remains a Treaty Right still—until it is specifically and in terms revoked by this Home Rule Bill—that no man in Ireland shall be taxed with higher taxes than any man similarly circumstanced in Britain. If this Bill of 1912 is, as the Government explanation of it says, intended to tax Ireland with all British taxes, and to give the subordinate Parliament of Ireland, as it does, power to add to those taxes and to tax Irish people higher than Englishmen are taxed, then it should state this upon the face of it in open language so that the people may know it: and its oppression should not be concealed under the features of a Declaratory Clause pretending to give to the timid the appearance of a safeguard and a shield. Why, then, does this Bill, that asserts in this First Clause the continuance of the United Parliament and the protecting vigilance of the Sovereign Parliament of the Empire, why does it, under such a cover, violate the Constitutional rights of Irish men and Irish women to equal taxation with all the rest of the inhabitants of the British Islands? Why does it not in clear, straight terms enact that—

> "The right of all the inhabitants of the United Kingdom to be taxed by equal taxes under the Act

of Union is hereby repealed as to that part of the United Kingdom called Ireland, and the inhabitants of Ireland shall on and after the passing of this Act be taxed as herein provided, that is to say—

(*a*) indiscriminately as heretofore with the inhabitants of England and Scotland;

(*b*) with such exceptional taxes as the Parliament of the United Kingdom may impose on the inhabitants of Ireland over and above those payable by the inhabitants of England and Scotland;

(*c*) with such taxes either by way of addition or variation of any of the above taxes as the Parliament of Ireland may enact, or with such new taxes as it may impose hereafter."

The reason, in the words of Edmund Burke, is because this clause

"Is a precious mockery . . . . . . a preamble without an Act! . . . . . Nothing in the world can read so instructive a lesson as the conduct of the Ministry in this business, upon the mischief of not having large and liberal ideas in the management of great affairs. Never have the servants of the State looked at the whole of your complicated interests in one connected view. They have taken things by bits and scraps—some at one time at one pretence, and some at another, just as they pressed, without any sort of regard to their relation or dependencies. They never had any kind of system right or wrong; but only invented occasionally some miserable tale for the day in order meanly to sneak out of difficulties into which they had proudly strutted. And they were put to all these shifts and devices full of meanness and full of mischief in order to pilfer piecemeal a repeal of an Act which they had not the generous courage . . honourably and fairly to disclaim. . . . . . Never did a people suffer so much for the empty words of a preamble. For on what principle does it stand? This famous Revenue stands as a description of Revenue not as yet known in all the comprehensive (but too com-

> prehensive) vocabulary of finance—a Preambulary Tax. It is indeed a tax of sophistry, a tax of pedantry, a tax of disputation, a tax of war and rebellion, a tax for anything but benefit to the imposers or satisfaction to the subject."[1]

Clause I (2) of this Bill is like the other preambles of this Government—a placard of imposture. The Preamble to the Parliament Act outrages the Constitution because it is not intended to be acted on. This Preamble in the Government of Ireland Bill outrages the Constitution because it is intended to be acted on.[2]

---

[1] Burke, *American Taxation*, 1774.
[2] See *Quarterly Review*, July, 1912, p. 272.

CHAPTER XIV.

The Financial Powers' Restrictions.

Consider the effects which the powers of the Irish Parliament, both in their extensions and limitations, with respect to Taxation must have in entangling the finances of the Imperial and Irish Parliament.

The 15th Clause of the Bill is as follows: —

15.—(1) The Irish Parliament shall have power to vary (either by way of addition, reduction, or discontinuance) any Imperial tax so far as respects the levy of that tax in Ireland, and to impose in Ireland any independent tax not being in the opinion of the Joint Exchequer Board substantially the same in character as an Imperial tax, subject to the following limitations:—

(*a*) The Irish Parliament shall not have power to impose or charge a Customs duty, whether an import or an export duty, on any article unless that article is for the time being liable to a Customs duty levied as an Imperial tax; and

(*b*) The benefit to accrue to the Irish Exchequer from any addition to any Customs duty levied as an Imperial tax (other than a Customs duty on beer or spirits), or to any duty of income tax so levied, or to any death duty so levied, shall be limited as in this Act provided; and

(*c*) The power of the Irish Parliament to vary an Imperial tax shall not be exercised with respect to the stamp duties mentioned in the Second Schedule to this Act; and

(*d*) The Irish Parliament shall not, in the exercise of their powers of taxation under this provision, make any variation of Customs or Excise duties the effect of which will be to cause the Customs duty on an article of a class produced, prepared, or manufactured in Ireland, to exceed the Excise duty by more than an amount reasonably sufficient to cover any expenses due to Excise restrictions;

and the power of the Irish Parliament to make laws includes a power to make laws for the purpose of giving effect to their powers of taxation under this provision.

(2) For the purposes of this Act—

(*a*) The expression "Imperial tax" means any tax charged for the time being in Ireland under the authority of the Parliament of the United Kingdom, and includes a tax which has been discontinued under the powers given by this section to the Irish Parliament, but which would have been so charged but for the discontinuance;

(*b*) The expression "Irish tax" means any tax charged under the authority of the Irish Parliament either by way of an addition to an Imperial tax or as an independent tax.

SECOND SCHEDULE.

Stamp Duties which may not be altered by the Irish Parliament.

Duties on the following instruments:—

Marketable securities.

Share warrants and stock certificates to bearer (including instruments to bearer on which duty is charged by virtue of subsection (2) of section four or section five or section six of the Finance Act, 1899).

Transfers of stocks, shares and marketable securities (including composition for duty on any such transfers).

Bills of Exchange and promissory notes.

Contract notes.

Letters of allotment, letters of renunciation, and scrip certificates.

Statements as to amount of capital of corporations or companies with limited liability, and as to amount of capital contributed by limited partner.

Statements as to amount proposed to be secured by issue of loan capital.

Mortgages to secure debenture stock.

Policies of sea insurance.

Policies of life insurance.

The Irish people have been taught during the long agitation for Home Rule to expect that they will be granted full power to control their own Trade and Commerce, to foster Irish manufactures, to give bounties and impose duties, and create an industrial community. Their ideas are almost universally Protectionist. The Home Rule Bill will disappoint every one of these anticipations. Instead of being a "final settlement" it will be but the beginning of inter-insular trade antagonism and fiscal fighting.

The Postmaster-General's Explanation of the Plan of Finance.

To the Postmaster-General, Mr. Herbert Samuel, has been entrusted the explanation of the Financial Clauses of the Bill. His explanation has never failed in clearness in dealing with this most complicated measure. It is a remarkable fact that the Irish statesmen who were consulted and in conference during the preparation of this Bill, and to whom the destinies of Ireland are to be committed if it passes, have never within Parliament or in Ireland attempted to grapple with its finance or to

explain it. The official Nationalist press has shut down all discussion on it, and the League has denounced as treachery any attempt at criticism by Nationalists in Ireland.

Mr. Herbert Samuel, on the First Reading Debate, laid down the following propositions[1]:—

> "(1) The Irish Parliament must have at its command, should it need to increase Irish Revenue, adequate sources of taxation.
>
> "(2) On the other hand, it is necessary that there must be left to the Imperial Parliament a sufficient field of Imperial taxation especially, though not solely, in case that International danger may threaten both Ireland and Great Britain alike, and additional Revenue should be needed for the purposes of National Defence.
>
> "(3) Further, it is necessary that there should be adequate security for the great loans issued upon the security of the Imperial credit such as Land Purchase and for other purposes.
>
> "(4) The scheme must be so devised that the finance of one country shall not be appreciably disturbed by changes effected in the finances of the other; that the Irish Chancellor of the Exchequer should not have his Budget upset by any action taken by the Chancellor of the Exchequer in England; and conversely that the Imperial finances should not be affected by changes which the Irish Parliament may find it necessary to make.
>
> "(5) The Irish Parliament should properly be called upon to bear the burden of any increase which they may make in Irish expenditure, and on the other hand, if they are able to make any economies in Irish Expenditure they should have the benefit of them.
>
> "(6) It is essential—and this is a point of very great importance—that if the Irish Parliament is able to effect economies and reduce taxation, that

---

[1] Parl. Deb., Vol. XXXVII., 15th April, 1912.

they should be free to reduce whatever taxation they choose, and especially that they should be able to reduce those taxes which press most heavily upon the poorer classes—namely, the Customs duties especially upon Tea and Sugar.

"(7) It is worth while to submit to even some complications and difficulties in order not to withhold from the Irish Parliament the right of reducing taxation if it is in a position to do so on the poorer classes of Irish taxpayers.

"(8) Lastly, it is not practicable, in the opinion of the Government, to give to the Irish Parliament full and unfettered control of Customs. Such a measure would be inconsistent with devolution to the other parts of the United Kingdom, and the general policy of Government in these Islands which His Majesty's Ministers have in view."

The Government is confronted with the condition that there is a deficit between the Revenue of Ireland and Expenditure of Ireland of £1,500,000 which they consider ought not to be thrown on the new Irish Government, and, on the other hand, ought not to rest permanently on the shoulders of the British taxpayers.

A Mortgage of Irish Prosperity—The Central Point.

To meet these conditions, as the Postmaster-General explained, the scheme of the Bill proposes that—

"*The whole of the Irish Revenues will flow into the Imperial Exchequer as long as the deficit lasts. That is essential, because it is the very central point of the Scheme that all normal increases in Revenue due to greater prosperity and growth of population should go into the Imperial Exchequer and should remain there to help to pay the deficit which now rests upon the British taxpayer.*"

The cardinal principle of the Bill is therefore to mortgage the whole future progress of Ireland to cover

the loss of the Imperial Exchequer caused by Irish Old Age Pensions: that is to say, Ireland is again to be punished for the Famine. The abnormal numbers of Old Age Pensioners in Ireland is a legacy of the devastation of the Famine.[1] The bitterest recollection of Irish Financial History is the extra taxation imposed by Gladstone on Ireland in 1853 while she lay blasted by the Famine, to make her repay the advances from the Imperial Exchequer for Famine relief. While nominally remitting the terminable annuities then charged for these advances, he imposed a perpetual burden of taxation on her which she was, as the Financial Relations Commission found, unable to bear. For more than thirty years she lay desolate until the era of constructivism began in 1886. Ireland has already suffered enough socially, materially, and financially for the great Famine. Under the cardinal principle of the Home Rule Bill she is to be again arrested and to be placed once more upon the treadmill of Liberal finance.

> "All normal increases of Revenue due to greater prosperity and growth of population shall go into the Imperial Exchequer and shall remain there to help the deficit which now exists."

That deficit is due, and solely due, to Old Age Pensions. Apart from Old Age Pensions there would be an Irish surplus of more than £1,000,000. Will the future financial relations between Great Britain and Ireland swing easily upon a pivot such as this cardinal principle of the Bill? Will the relations between the

---

[1] "In Ireland the Old Age Pension charge is no mere question of mortality statistics and vital statistics as in this country. There it is complicated by the influence of the Famine on the birth and death rate between 1845 and 1850, and by the subsequent outflow of emigration.—*Report of Committee on Irish Finance*, 1912, Cd 6153, p. 25.

Irish and British peoples be harmonised when the Irish nation apprehends the principle that out of all the Irish Revenue thus paid into the Imperial Exchequer will be paid back to the Irish Exchequer only the Transferred Sum, at first rather more than £6,000,000, to be reduced in the course of eight or nine years by a sum of £300,000?

> "This £6,000,000 is not as it has been represented, or rather misrepresented, in some organs of the Press, a grant from the British taxpayers. The whole of this amount is from Irish taxes, and it may be more strictly termed a retransferred sum, because it is all Irish money."[1]

On the other hand, what will the British taxpayer's feelings be when he finds himself responsible for financing the Reserved Services, Irish Old Age Pensions, National Insurance, and such like social reforms in Ireland and for paying for the Collection of Irish Taxes? What will be his feelings when the forty-two reserved Irish members at Westminster obstruct and job for similar extensions to Ireland at the expense of all social betterment expenditure in England? If the Imperial Exchequer gets all Irish Revenue, how can they practically resist the extension of all such benefits to Ireland in the future?

> "It will be one of the peculiarities of Irish nationality that it is to be under two flags when it is a question of managing whatever business the Irish Parliament wants to manage—it is to be under the Green Flag and the Harp, but when it is a question of paying the money, up goes the Union Jack, and forty-two votes will be used to get as much as possible out of the British Treasury."[2]

The Postmaster-General urged that—

"As the Imperial Parliament retains its general

[1] Mr. Herbert Samuel, M.P., Parl. Debates, 1912, Vol. XXXVII., p. 66.
[2] Lord Hugh Cecil, Parl. Deb., 1912, Vol. XXXVII., p. 84.

> control over taxation, if it imposes additional taxation or reduces taxation in Ireland that will not affect the Irish Chancellor of the Exchequer's Budget. His Budget will not be swung one way or another by the movement of Imperial finances, as the Transferred Sum will remain the same whether the Imperial Parliament adds to the taxation or reduces the taxation in Ireland."

Whatever anxieties may be entertained by those high officials the respective Chancellors of the Exchequer of Great Britain and Ireland in the future about the swinging of their Budgets, the views of the people of Great Britain and of Ireland will be confident: the Irish will believe they are being robbed, and the British that they are being blackmailed.

The Effects of Tax Variation in Ireland.

Mr. Herbert Samuel proceeded:—

> "With respect to the powers of the Irish Parliament, if it eventually finds itself in the position to remit taxation, it is free to do so. It can reduce any of the taxes levied in Ireland with the exception of certain Stamp Duties which it is of importance should not be at a lower figure in one part of the United Kingdom than another on account of Stock Exchange competition, and other reasons. If the Irish Parliament finds it necessary to call upon the taxpayers of Ireland for further sacrifices to provide more money for the development of the country, then it has at its command certain powers of imposing additional taxation. It may add according to its will to the Excise Duties, and since it has complete control of the Excise Duties, as a necessary consequence, it must also have control over the rates of Customs Duties on beer and spirits, because they must vary with the rates of Excise. It will have power in the second place to impose any new taxes which are not levied by the Imperial Parliament now. The Inhabited House Duty is not at

present levied in Ireland and certain established Excise Duties are not levied there. It can devise new taxes which do not form part of the Imperial system.

"Thirdly, it can if it so desires, add to any of the other main heads of taxation, such as Income Tax, Death Duties, Customs Duties other than beer and spirits, to an extent limited to 10 per cent. of their yield. That 10 per cent. is imposed so that the Irish Parliament should not trench unduly upon the position of the Imperial taxes. If the Irish Parliament finds it necessary and expedient to exercise any of these powers—very likely they may not do so at all—but if they should find it advisable to do so, the Imperial Exchequer will remain altogether unaffected by their action. If they decrease one of the taxes, for example, the consequence will be that the Imperial Treasury would collect less in Ireland under that tax, and, having collected less, it would pay over less in the Transferred Sum.

If there is a decrease in a tax the Imperial Treasury will collect less and pay over proportionately less, and the Imperial Exchequer will remain unaffected. If, on the other hand, they increase any of our taxes or impose new taxation, then the Imperial Treasury will collect more money in Ireland. If it collects less, it pays over less, and this variation will be reflected in the Transferred Sum, which will vary by the amount collected in Ireland following the alteration of the tax up or down by the Irish Parliament. If the Irish Parliament remit taxes they lose in the proceeds to that extent; if they increase taxation, they increase their proceeds to the extent of that increase. . . . . I do not think it probable the Irish Parliament is likely to exercise this power of making a 10 per cent. addition to such portion of the Income Tax as is collected at the source. That would involve very great difficulties of collection. The difficulty and annoyance to the taxpayers would be so great that I cannot conceive the Irish Parliament will propose such a tax. It might add to the Income Tax, and possibly will so far as it is levied by virtue of

individual declaration—that is to say, to such portion of the Income Tax as is affected by abatements on the one hand, or by super-tax additions on the other. The check of 10 per cent. is not on the rate of the tax. There is no limit of 10 per cent. on the rate of the tax imposed; the check is upon the yield, because, owing to abatements and the difficulties of assessing precisely what is the yield of a particular rate, it is not practicable to impose this limitation by way of rate; it must be effected by way of yield. . . You cannot foretell the yield with precision. The objection is, of course, foreseen in the Bill, and the Irish Parliament have a very effective deterrent imposed upon them to dissuade them from putting on an addition to the tax which will yield more than 10 per cent., because it is provided that only an amount not exceeding 10 per cent. shall be handed over to them in the Transferred Sum, and if it does exceed the 10 per cent. then the rest goes to the British Exchequer. I think the Irish Chancellor of the Exchequer will exercise all his powers of ingenuity so as to fix his tax at such a rate as will not yield more than 10 per cent. addition to the original tax. An hon. gentleman asks whether a 10 per cent. addition to Customs can be levied differentially as between the different countries. That, of course, is not so. If they take the Imperial Tea Duty as it stands they may add an amount not exceeding 10 per cent. to the whole of that duty, and, if they wish to add to the Tobacco Duty, they may do so similarly. It is distinctly the method of the *centimes additionels*.

"Whatever taxes are levied by the Imperial Government may be added to by the Irish Government, but the Irish Parliament cannot tax any article which is not included in the Imperial taxes for the time being. If by virtue of the exercise of these powers the rate of Customs or Excise Duties on any article is different in the one country from what it is in the other, then, of course, there will be a differential duty on goods passing from one country to the other."[1]

---

[1] Parl. Deb., 1912, Vol. XXXVII., pp. 69-71.

The Cost of Irish Retrogression Under Home Rule falls on Great Britain.

This was the very lucid exposition of the Financial principles of the Bill given by the Postmaster-General on the First Reading. It is based on the assumption that Irish Revenue, under Home Rule, would increase with the anticipated or assumed prosperity of Ireland.

> "But what," as Mr. Bonar Law asked, "was to happen if the industrial prosperity goes back? Britain will have to pay the same amount. The British tribute will increase automatically in proportion as Ireland does not advance. Two-thirds of the Customs Revenue of Ireland is at this moment collected in Belfast. The men who control the industries of Ireland have said they believe the setting up of such a Parliament would mean, not retrogression, but the ruin of Irish industries."[1]

How Ireland is to prosper under Home Rule is an insoluble problem in political calculus. If she is to economise she must starve Education and Social and Local Government betterment. If she refuses to starve these Services, she must super-tax her farms, her trades and industries. If she super-taxes them she puts them out of action in the industrial contest with Great Britain and the world. If they drop, her Revenue drops.

> "If Ireland becomes less prosperous and Irish Government is a failure, the British contribution to Ireland goes on, and indeed will increase, but there will be no power to put an end to the system, and therefore the contributions which the British taxpayer will have to pay will be perpetual. It is an astonishing position in which to place this country."[2]

---

[1] Parl. Deb., 1912, Vol. XXXVII., p. 287. See statement of the Belfast Chamber of Commerce on the Bill in the Appendix, post p. 281.

[2] See Mr. Cave's speech—Parl. Deb., 1912, Vol. XXXVII., p. 1792.

Therefore on the very threshold of the Bill the cardinal principle jambs, and it becomes the interest of both the Chancellor of the Exchequer of Great Britain and of the Chancellor of the Exchequer of Ireland that there shall be a deadlock. If the Irish Chancellor levies extra Irish taxation, he destroys Irish commerce, and with it Irish Revenue. If Irish Revenue falls, the loss falls on the British Exchequer. Their object will be not to make the two Budgets swing together. The object will be to prevent the Irish Budget swinging at all.

Precisely the same automatic increases in Irish expenditure on Old Age Pensions, Land Purchase, and National Insurance which the Government complain of under the Union must continue under Home Rule, and in addition to this expenditure Great Britain is to add half a million, reducible to two hundred thousand, of a "Surplus" deficiency. Under the Scheme of Union Finance Ireland is now rapidly progressing, as the reproductive value of State subvention has been recognised, and Irish Revenue has been increasing through the use of the Imperial credit. The productive capacity of Ireland has been growing, and is shown by the increase of twenty-seven millions in value in the last six years in her trade returns. The deficit will disappear with the continuance of this remunerative policy. But progress must be blasted at once under Home Rule, and the deficit will grow. Ireland will not then enjoy the Imperial credit for any purpose but Land Purchase, and in that case only under conditions of divided control which will bring chaos and make the offer of Imperial aid a farce. Ireland, too, must be super-taxed by her own Parliament, and this means creeping Commercial paralysis. Custom House and other restrictions which

would be only justifiable if Ireland were given trade independence will further hamper commerce. The idea of a financial equilibrium being effected by Irish State economies is illusory, even were they in themselves possible. They are not within the design of the Bill. The men who will be managing Irish affairs will be out for loot and not economy. Their first business will be to provide plenty of good berths for themselves, their friends and relations. Great manufacturing firms will transfer their business to Britain or Abroad, and Capital will fly. All this loss will fall not merely on Ireland, but on England and Scotland, and entail private losses on the British as well as the Irish people that will even exceed in their intimate effect the national depletion caused by the perpetual drain on the British public finances. It will re-act on the Budgets of both Chancellors in every articulation.

Future Budget Friction.

The friction that must occur was clearly pointed out by Mr. Amery, M.P., on the Second Reading of the Bill:—

> "Assume that the Irish Chancellor of the Exchequer, needing money, imposes some new tax. Assume he imposes it practically up to the limit of remunerative taxation, and that it proves a success. In the next year the British Chancellor of the Exchequer, seeing that the tax has been a success, determines to impose it on the United Kingdom as a whole. A United Kingdom tax naturally takes priority over an Irish tax, and the Irish tax consequently becomes a mere surtax. It is then not only exceptionally burdensome to the people of Ireland, but it will produce practically no revenue, and the Irish Chancellor of the Exchequer will be forced in consequence to abandon his tax and to

look out for some other means of taxation. Is that going to lead to harmony? Is it going to carry out the assertion of the Postmaster-General that under this scheme Irish finance will not be swirled this way or that by the movement of Imperial finance? If it is a tax which is going to be applied to Great Britain alone and not to Ireland, is the deficit to be made good by extra taxation on the working classes of Great Britain or is it to be assumed that, because the Irish Chancellor of the Exchequer has imposed a certain tax in Ireland, the British Government will abandon the idea of imposing that tax at all? If so, what becomes of the independence and fiscal autonomy of this country under this proposal? This is the sort of thing that will inevitably happen when you are face to face with a great and prolonged war, or with any other cause that may lead to a heavy strain on the finances of this country and compel the Chancellor of the Exchequer to look for new sources of income. . . . Then let me imagine a Government coming into power less lavish than the present. Let me assume that the Chancellor of the Exchequer, by rigorous economy, will reduce taxation. Let me suppose he knocks 2d. off the Tea Duty. None of their reduction comes off the Reserved Services in Ireland. You may find the Irish Government making no attempt to effect economies, and I say that both in law and in equity, he would be entitled to say to the Irish Chancellor of the Exchequer: 'I shall leave the duty on in Ireland; it is your business to take off the 2d. and make it good by economies on the Transferred Services or not, or in any way you please.' If he did that it would be a perfectly equitable thing, but do you think the Irish Government would tolerate a precedent for imposing differential taxation against Ireland? I do not suppose it would for one moment. Take another supposition. Assume that he does take off the Tea Duty in Ireland and thereby increases the deficit. The Irish Chancellor of the Exchequer, being anxious for more revenue, and finding the Tea Duty one less irksome and most convenient to collect, would like to put that 2d. back and keep it on for his own

purposes. Is he allowed to do so? No, your absurd 10 per cent. rule forbids it, and, if by any chance the British Chancellor of the Exchequer took the Tea Duty off altogether, then the Irish Chancellor of the Exchequer is prohibited to have a Tea Duty, whether high or low, for fear the sacred doctrine of Free Trade might be profaned!

"This by no means exhausts the possibilities of friction under this fantastic scheme. In what possible way will it be possible to ascertain the effect of Irish variations of British taxation? Suppose that the Irish Government consider the present Excise Duties on spirits are too high and that they might be considerably reduced without appreciable loss to the Revenue. Suppose they do reduce them and there is no appreciable loss for a year or two. But presently it drops heavily, and the British Chancellor of the Exchequer declares that the drop is due to the Irish reduction of the British tax, and claims that the whole of it should be subtracted from the Transferred Sum. The Irish Chancellor of the Exchequer protests, and says it is due to bad trade and the spread of temperance, and that the loss ought to be divided between the British and Irish Exchequers. Who is to decide the point? Who is going to be satisfied with the decision? Ireland has only two votes on the Joint Exchequer Board, as against the three votes of Great Britain. She will be the loser, and I venture to think she will always be the complainer.

"Take, last of all, that real stroke of genius by which British Revenue officers are to collect any taxes, however unworkable or absurd, the Irish Parliament may choose to impose, and of which the Irish Revenue is to get the gross return while the British taxpayer is to bear the whole burden of its collection. Can you possibly conceive a more direct invitation to extravagance and foolish taxation, or a more direct invitation to friction and discord? It is a division of labour that leads to disaster, if I may quote the language of the Committee of Experts in one of their many sweeping anticipatory condemnations of the finance of this

Bill. I know the scheme of the Expert Committee has been rejected by the Government in the interests of Free Trade and of Federalism, but have they really safeguarded either of those objects in their Bill? Does not the power to vary the Customs and Excise inevitably involve a Customs barrier between this country and Ireland? Does it not inevitably involve the fiscal break-up of the United Kingdom, and if so, is it compatible with federation, or any real form of Free Trade? Do the Government think that they really preclude protection in Ireland by their various clumsy devices. Only at the very last moment have they attempted to stop a gap in Clause 15 and to prevent the Irish Government, by varying Excise and Customs Duties, from establishing a protective system with regard to tobacco, sugar and spirits. Do they think that the gap is really stopped? Does the Postmaster-General think that the Irish Government under this Bill could not protect its tobacco industry, or its sugar industry, if it wanted to? There is nothing simpler in the world. Take the case of sugar. All they have to do is to impose an extra Customs Duty of 2d. in the £, and an extra Excise Duty of 2d. in the £, and then give to the Irish sugar-grower a bounty of 2d. in the £, and in that way give him effective protection. I suppose they will say that 2d. is beyond the 10 per cent. limit, and that some of the money will go to the British Exchequer, but once a protective system is working there will be an increase and not a decrease in the sugar industry. The same with regard to tobacco. If they do it there will be a serious loss on the tobacco revenue in Ireland, and a serious increase in the deficit to which they profess to be making an end."

Licence Duties on Commercial Travellers and Vendors of British and Foreign Goods.

The Irish Government will be compelled to invent new methods of taxation. There is nothing to prevent Licence Duties being imposed on people selling Foreign

or British Goods in Ireland. The Customs' Regulations of the Irish Parcel Post can be framed to register consignments from England or Abroad to traders and consumers in Ireland, and be worked in connection with the Licence Duties payable by the importer of the Foreign or British Goods. There is nothing to prevent the tax which exists in some Continental communities on commercial travellers or commercial catalogues being imposed. Government monopolies may be created, all under the British Free Trade fiscal system, that the Government has framed their Home Rule Bill to protect. If Tariff Reform is introduced in Great Britain, then

> "The Irish Government could modify and vary every single duty up and down, turn high protective duties into low revenue duties and turn low revenue or administrative duties into substantial protective duties."

Infinite confusion and dislocation can be caused in the Budgets and in the commercial and fiscal relations of the two Islands. It will be impossible to prevent the Irish Government from hampering the Foreign Trade relations of the Imperial Government.

> "The moment you give the Irish Government the power to vary the Customs duties of the United Kingdom you do, in fact, give them the power of framing Commercial treaties. If the Tariff of the United Kingdom imposes a substantial burden on German trade, and if the Irish Government is inclined to reduce that taxation, do you suppose the German Government will not be inclined to make some bargain with Ireland in return? How can you prevent an informal bargain? How can you prevent Irish Ministers meeting German Ministers and arranging terms?"[1]

---

[1] Mr. Amery's speech—Parl. Deb., 1912, Vol. XXXVII, p. 1770.

Every one of these things is possible. Every one of them makes the harmonious inter-working of British and Irish Budgets under Home Rule impossible. The whole history of the independent and semi-independent Parliaments of Ireland and their trade relations and conflicts with the Parliament of England are absolutely unknown to, or forgotten by, the Ministers who framed this Home Rule Bill. It is compact with Commercial conflicts.

International Litigation Before the Exchequer Board.

Take, again, the influence on both the British and Irish Budgets of the decisions of the Joint Exchequer Board. This Board will determine what are the proceeds of the Irish taxes imposed by the Irish Parliament and whether the margin of 10 per cent. yield which the Irish Chancellor can retain has been exceeded, and the British Chancellor is entitled to receive the surplus yield. Is it possible that harmonious action can exist with such a vital result to both Budgets in controversy? Both Exchequers must have the opportunity of arguing their case before the Board, of presenting their calculations and being heard as litigants before this Court of Arbitration. On the all-important question under Home Rule of what is the "True Revenue" of Ireland the two Exchequers will be continuously in antagonism. The Irish Budget must not include new taxes which are substantially the same as Imperial taxes. The deciding authority on the validity of the Irish Budget is to be the Joint Exchequer Board; but its decision must necessarily be preceded by hostile contentions between the British and the Irish Exchequers, each insisting on different views. The two Chancellors will be two

advocates contending before this Court of Appeal instructed by their different Parliaments on behalf of the two litigant peoples of Great Britain and of Ireland. And when under Home Rule All Round the new parties are added, and England and Scotland and Wales intervene with their Home Rule Budgets, and the Chancellor of the Scotch Exchequer and of the Welsh Exchequer and of the English Exchequer and of the Irish Exchequer and of the Imperial Exchequer are all contending with one another, what a swarmery it all will be! It may be replied, all this Irish Home Rule Bill fiscal system is merely temporary. It is an initiation. It will be then repealed and recast in the new Federal mould. What a prospect for "national settlement"! That will be no easy task. Two Parliaments will then exist. "Ireland a Nation" will have been sent upon her career. If a new Revolution is to be carried by the superior force of the supremacy of the Parliament at Westminster, over-riding the Parliament in Dublin, national enmity and resistance will ensue. If it is to be carried by other means than force, then the Irish Parliament will wring very different and even more exacting terms from England than are presented to her by the present Bill and England, as the wealthy centre, will become the prey of the hordes of Picts and Scots of the Celtic fringe.

Pickpocket Chancellors of the Exchequer.

Under the Government of Ireland Bill, 1912, each Chancellor of the Exchequer will be endeavouring to pick the pockets of the other. If the Irish Chancellor is clever enough to invent a new and lucrative tax, the British Chancellor will follow his lead and impose it as

an Imperial tax. Ireland then loses all the benefit of the Irish invention. The whole proceeds will go into the Imperial Exchequer, and as Ireland will only get back from the Imperial Exchequer sufficient to supply the Transferred Sum she will have merely discovered a fresh means of depleting her resources for the benefit of an alien Treasury. *Vos non vobis mellificatis apes.*

On the other hand, it will be the business of the Irish Chancellor of the Exchequer to pilfer the profits of the British Chancellor, through ingenious manipulation of the powers of repealing and varying Imperial taxes and imposing others that may pass the Exchequer Board as not "substantially the same" as the Imperial taxes. It will be his interest to commit a series of petty larcenies of the property of the Imperial Exchequer. In both Great Britain and Ireland a new generation of Treasury officials must be created—artful dodgers schooled to filch by Fagans of Finance.

Home Rule and Tea.

But the fiscal clauses of the Bill must hamper the fiscal freedom of the Imperial Parliament and entangle the finances of both countries. Take, as Mr. Austen Chamberlain urged, the Tea Duty. It presses severely on Ireland as the Irish poor are great tea consumers. It presses also heavily on the British poor. How can the duty be repealed if this Home Rule Bill becomes law?

> "No Irish Chancellor would ever take it off if there is the slightest chance he can induce the English Chancellor of the Exchequer to take it off. If the Irish Chancellor of the Exchequer takes it off Ireland loses the Revenue. If the British Chancellor of the Exchequer takes it off, Ireland continues to receive the same quota and the whole

> expense of the relief to the Irish tea consumer falls on the British taxpayer. Is any Government going to reduce the Tea Duty under conditions such as these?"[1]

The continuous endeavour of the forty-two Irish delegates in the British House of Commons will be to block British Budgets and thus compel a reduction of such taxes as chiefly affect Ireland. Every reduction thus brought about directly relieves Irish taxpayers; for Ireland, no matter how Imperial taxes rise or fall, must receive the stated Transferred Sum, and every such reduction places a higher proportionate charge on the British taxpayer.

This is the practical effect of Clause 17 of the Bill, which provides as follows:—

> 17.—(1) The Transferred Sum shall be paid to the Irish Exchequer at such times and in such manner and according to such regulations as the Joint Exchequer Board may direct.
>
> (2) In the event of the reduction or discontinuance of any Imperial tax by the Irish Parliament, the Transferred Sum shall be reduced in each financial year by such sum as may be determined by the Joint Exchequer Board to represent the amount by which the proceeds of the tax are diminished in that year in consequence of the reduction or discontinuance.
>
> (3) If in any financial year the proceeds of any Irish tax imposed as an addition to any Customs duty levied as an Imperial tax (other than a Customs duty on beer or spirits), or to any duty of Income Tax so levied, or to any death duty so levied, exceed *one-tenth* of the proceeds in Ireland of that duty as levied as an Imperial tax for the same period, the amount of the excess shall not be treated for the purposes of this Act as part of the proceeds of the Irish tax, and the amount payable

[1] Parl. Deb. Vol. XXXVIII., p. 252.

to the Irish Exchequer in respect of the proceeds of the Irish tax shall be reduced accordingly:

Provided that—

(*a*) For the purposes of this provision, the proceeds of any tax shall be deemed to be the proceeds as determined by the Joint Exchequer Board: and

(*b*) The foregoing provision shall not apply in cases where the excess is solely due to the reduction of the rate of the Imperial tax.

Budget Delays.

The result is that —

"A permanent premium is placed on delay in each financial year in the introduction of the Budget, both in England and Ireland. . . If the Irish Government remit an Imperial tax, the Transferred Sum is reduced by the amount of the cost of the reduction or abolition of the tax. If the Imperial Government take off an Imperial tax, the Transferred Sum is unaffected."

"It is the interest of both the Irish and the Imperial Chancellors of the Exchequer to be last and not first in any year."[1]

The Donkey Race.

As Mr. Bonar Law said, in the Second Reading Debate:—

"Of the Irish Revenue something like two and a quarter millions is got from the duties on tea, tobacco, and sugar. The Irish Parliament has a right to reduce or take off those duties. If they do, the Irish taxpayer benefits, but the Irish Government loses the money. Under the wonderful provisions of the Bill, if this House takes off the duty, the Irish taxpayer still gets relief and the

[1] See Mr. Mitchell Thompson's speech—Parl. Deb., 1912, Vol. XXXVIII., p. 123.

Irish Government does not lose any money: it is the loss of the British taxpayer. Look at the effect of this in the light of one Chancellor of the Exchequer not hampering the other. When the Irish Chancellor of the Exchequer comes to make up his Budget and wants to take off the duty on tea, he waits to see if the English Chancellor of the Exchequer has taken it off first so that he may not lose the money and at the same time get the benefit. On the other hand, if the English Chancellor of the Exchequer wants to take off the duty, he knows that if he takes it off he has to find the money, and he waits earnestly to see whether the Irish Government will not take off the duty. The Bill which does not hamper the different Chancellors of the Exchequer will be like a donkey race in which each of them will try to get to the goal last, and when we have a complete Federal system and there are four or five Chancellors of the Exchequer entered for this race it will be the most exciting event in history."[1]

The Irish Powers to Reduce Taxes a Delusion.

But when the Bill is analysed it appears that these great powers of Reduction of Taxes inserted in the Bill to give an appearance of financial liberty to the Irish Parliament are a delusion. They are merely clauses in a great fraudulent prospectus framed to deceive the people of Great Britain and of Ireland. The people of Great Britain are invited to subscribe to the Home Rule Reconstruction Scheme because they will cut their losses, and the Irish people to subscribe to it because they will achieve liberty and be relieved from the burden of British taxes.

If the Irish Government reduces an Imperial tax the result of the reduction tells in the reduction of the Irish

[1] Parl. Deb., 1912, Vol. XXXVIII., p. 680.

alimony, the Transferred Sum. It cannot introduce a tax which is substantially like an Imperial tax. What field, then, is open to the Irish Chancellor of Exchequer to operate on? As Mr. Herbert Samuel, replying on the Second Reading, said:—

> "The chief taxes are Income Tax, Customs, Death Duties, and Excise. The Irish Parliament are precluded by Clauses in the Bill from imposing any new tax which is substantially of the same character as the Imperial tax. Therefore, they cannot impose any new tax in the nature of Income Tax, Death Duties, Customs, or Excise, or any Imperial tax which may exist. That being so the Irish Chancellor of the Exchequer will have to show an extraordinary ingenuity in devising any tax which would bring in an appreciable revenue that would be a substitute for the tax that he would repeal—an ingenuity so remarkable as to be quite impossible in the circumstances. No tax could be devised which could be a substitute for these."[1]

What, then, are the fiscal powers bestowed upon the Irish Parliament to relieve Ireland a Nation from taxation? It becomes clear from the explanations of the Postmaster-General that the Irish Parliament is not intended to exercise any practical powers of reducing taxes except where the reduction will tell in a reduction also of the Transferred Sum, and thus relieve the Imperial Exchequer in equal measure with the Irish taxpayer at the expense of some Irish service to be sacrificed. Take the power of Customs differentiation.

> "It is asked," he said, "why do you allow any variation at all? Why not exclude Customs altogether from the purview of the Irish Parliament, and not allow them to reduce at all, nor allow them to increase, even by 10 per cent., the duty on any of the commodities which come into their ports?

---

[1] Parl. Deb., 1912, Vol. XXXVIII., p. 269.

The reasons are these. If you excluded those altogether from the control and purview of the Irish Parliament, you would give to the Irish Parliament very limited powers on finance. *It is a grievance of Ireland that her people are taxed beyond their capacity, and they ask for opportunities to economise on their Government in order that they may have, at all events, the chance of reducing taxation.* It is a contingency that ought to be avoided if possible that this Parliament should deliberately say to the Irish Parliament, 'Govern your country as economically as you can, make whatever sacrifices you choose in order to spend less money, you shall never be allowed to reduce the taxation upon the working classes of your country, you shall never be allowed to reduce the taxes which press most heavily on the people'—that is to say, indirect taxes upon articles of general consumption. If you allowed no reduction in the Customs Duty upon tea and upon sugar, you would be saying to the Irish Parliament, 'You can only reduce the Income Tax, you can only reduce Death Duties, but you cannot reduce the taxes which press most heavily on the people.'

"Then, secondly, *with regard to the increase of the powers of taxation to secure more revenue, suppose that were necessary, you could not give them powers of increasing the Excise* because it is obviously impossible to increase the Excise if you are not to be allowed to increase the corresponding Customs Duty. They could not be given the opportunity of putting a tax on Irish beer or whisky if they could not increase the duties on English beer or Scottish whisky coming into Ireland. The effect of putting on an Excise Duty would merely be to penalise and hamper Irish product in the Irish markets when the British and Scottish products would be free. *The power to increase the Income Tax is one which in all probability cannot be used so far as the great bulk of the Income Tax is concerned*—that is to say, so much of it as is collected at the source, because the difficulties of collection are so great that it is very

> unlikely that the Irish Parliament would endeavour to increase the main body of the Income Tax. They might alter the Super-tax, but they are unlikely to increase the main body of the tax. Therefore, *if you exclude Customs, if you exclude Excise, if you exclude Income Tax, what is there left? You have only the Death Duties and one or two minor taxes.* Although it might be necessary to give to a Parliament power so limited as that, and although it might be impossible to avoid such limitations one can conceive in particular cases, still if you can, without very grave inconvenience, give some latitude in Customs and Excise, it is obvious that the Irish Parliament, in matters of finance, will be put in a much more responsible position and in one which will enable it to do more good for the people."[1]

Mr. Maurice Healy, M.P., said, speaking from the Independent Nationalist point of view, and thus representing the only section that has the courage to venture upon criticism of the finance of the Bill from the Home Rule Party side:—

> "This Bill does not give Ireland any real power of taxation. Take the case of Excise. The Prime Minister has raised some false expectations in Ireland upon that point and raised somewhat of a false impression. He said the Home Rule Parliament cannot impose any Customs Duty except upon articles which are for the time being dutiable by way of Customs in the United Kingdom. Furthermore, the Irish Parliament will not be able to add to any Imperial Customs, except beer or spirits, the Income Tax, or Estate Duties, more than 10 per cent., and then the right hon. Gentleman said, 'With regard to Excise their hands will be free.' That statement is true in one sense, but false in another sense. It is perfectly true that they will be theoretically free, but practically every limitation which is placed on Customs will be in-

---

[1] Parl. Deb., 1912, Vol. XXXVIII., p. 274.

effective. The suggestion is sometimes made that mineral waters would be a proper subject for Excise taxation. It is said that teetotallers are not taxed, and it is quite true that it would be competent for the Irish Parliament to impose an Excise Tax upon Irish mineral waters. What does that mean? Instead of discriminating in favour of Irish manufacturers as against English manufacturers, which is the apprehension of English members, they would be discriminating in favour of English manufacturers against Irish manufacturers. If the Irish Parliament imposed an Excise Duty upon mineral waters the only effect would be that they would raise no revenue, because Irish mineral waters would not be sold, and they would only confer great benefits on the manufacturers of that article in England, while it would do no sort of good to Irish finance and would kill that particular industry in Ireland.

"Therefore, to say, as the Prime Minister said, that with regard to Excise the hands of the Irish Parliament are free is not true. We cannot impose new Excise Duties which would discriminate against Irish manufacturers. We cannot increase Excise Duties because that would discriminate against Irish manufacturers."[1]

The Customs Complications.

"The provisions with regard to differential Customs are most complicated, and would almost certainly prove unworkable in practice. In any event, they cannot fail to produce confusion and bad feeling. It should be quite sufficient for the Free Trader to know that under the Bill any articles which are brought into Great Britain from Ireland, or into Ireland from Great Britain, shall be deemed to be articles exported or imported for the purposes of information to be furnished under the Customs Consolidation Act. We have been told that the principal ground upon which the Government base

[1] Parl. Deb., Vol. XXXVIII., p. 242.

> their proposal to grant Home Rule to Ireland is that the great majority of the Irish people demand it. If the great majority of the Irish people demand the control of the Customs, and if they later demand the institution of import and export duties, will their demand be any easier to refuse when they have a National Government to organise and enforce it?"[1]

On the other hand, for the Tariff Reformers it should be sufficient to know that the Bill is especially framed to tie down Ireland to the present Free Trade system, and that to inaugurate a Tariff Reform Policy will involve the recasting of the finance of this Home Rule Bill.

The following answer given on 9th May, 1912, by the Prime Minister as to the effect of the Customs clauses of the Bill shows how Free Commerce between Great Britain and Ireland will be hampered, and it must not be forgotten that the Bill is framed in declared anticipation of Home Rule All Round, and therefore of a similar Customs cordon being drawn between Scotland and England, and Wales and England, and Wales and Ireland, and Wales and Scotland, and Scotland and Ireland when Home Rule becomes All Round.

The Home Rule Bill and Customs Duties.

A printed answer was given to a question by Mr. Touche, asking the Prime Minister, if, to facilitate understanding of the operation of Clause 16 (2) (*a*) of the Government of Ireland Bill, he would give a concrete example of a dutiable unmanufactured article produced abroad but manufactured or prepared in Great Britain or Ireland and exported, in one case, from Great Britain

[1] *Quarterly Review*, July, 1912.

to Ireland and, in the other case, from Ireland to Great Britain, on which the import duty on the unmanufactured article into Ireland has been reduced and the drawback on exportation from Ireland after manufacture is also proportionately reduced, while the drawback which would be allowed on the exportation of similar articles from the country into which the articles are brought is less than the duty payable on importation.

Mr. Asquith, in reply, said he thought it would make the matter clearer if he gave an illustration of the effect of Clause 16 (2) (*a*) and (*b*) instead of dealing only with Clause 16 (2) (*a*) by itself. Selecting tobacco which is imported in the raw leaf from abroad and manufactured in the United Kingdom, and assuming that the tobacco duties and drawbacks in Ireland are reduced to the rates prevailing before the 1909 Budget while remaining as at present in Great Britain, the principal duties and drawbacks would then be as follows:—

Import Duties:—

	Ireland.		Great Britain.	
	s.	d.	s.	d.
Raw leaf (unstripped) ...	3	0	3	8
Foreign cigars	6	0	7	0
Foreign cigarettes	4	10	5	8
Other foreign manufactured tobacco	3	10	4	8

Drawbacks on tobacco manufactured in the United Kingdom:—

Cigars	3	5	4	2
Cigarettes	3	4	4	1
Other manufactured tobacco ...	3	3	4	0

These rates of drawback are allowed on tobacco containing 14 per cent. of moisture, and are increased or lowered proportionately if the tobacco contains less or more than 14 per cent. It is assumed for the purposes of this answer that the tobacco contains 14 per cent. of moisture.

In the circumstances assumed, cigars, cigarettes, and other tobacco, if manufactured in Great Britain and brought to Ireland, would, under Clause 16 (2) (*b*), receive drawback on being sent from Great Britain of 4s. 2d., 4s. 1d., and 4s. per lb. respectively, and would, under Clause 16 (2) (*a*), be charged on being brought into Ireland a Customs duty of 3s. 5d., 3s. 4d., and 3s. 3d. If manufactured in Ireland and brought to Great Britain they would, under Clause 16 (2) (*b*), receive a drawback on being sent from Ireland of 3s. 5d., 3s. 4d., and 3s. 3d. per lb. respectively, and would be charged on being brought into Great Britain a Customs duty of 4s. 2d., 4s. 1d., and 4s. per lb. respectively.

The Financial Tangle.

The financial clauses of the Bill are a mass of bewildering obscurations designed to delude. Ostensibly the Irish Parliament would appear to possess wide financial powers. Ostensibly British interests seem to be protected. The result is that this Bill, facing both ways, involves bewildering entanglements and institutes a system which must lead to extravagance and waste, and interinsular complications and controversies, and interminable friction. As a settlement or approach to a financial settlement it is an absolute sham. It is constructed on a system of deferred solutions and provisional makeshifts, reopening and leaving for the

future embitterment of the relations between England and Ireland all the most perilous commercial and financial questions which in the eighteenth century ranged the two islands in hostility and compelled, in the first instance, the absolute independence of the Irish Parliament, and after demonstration of the Imperial dangers thus created, compelled the enactment of the Union.

The Cattle Trade.

How, again, can the British people be so deluded as to believe that this Bill will bring any final settlement when it is based on the principle that Irish Trade is to be absolutely controlled by the Trade policy of Great Britain? Take, for instance, the great Cattle Trade of Ireland. The export trade to Great Britain ranges in value from fourteen to fifteen millions yearly. The question of the Foreign Meat Trade with Great Britain and with Ireland and the conditions under which dead meat and live animals may be imported free from restriction into British ports, vitally affects this greatest industry in Ireland, and yet under the second Clause of the Bill the Irish Parliament will have no power to make laws relating to—

> Trade with any place out of Ireland (except so far as trade may be affected by the exercise of the powers of taxation given to the Irish Parliament, or by the regulation of importation for the sole purpose of preventing contagious disease); quarantine; or navigation, including merchant shipping (except as respects inland waters and local health or harbour regulations).

Any legislation which has any element in it of safeguarding the interests of Irish Trade is absolutely void. Irish legislation can only be framed solely to prevent

contagious disease. The English Government is also under the 41st Clause of the Bill, made master of Ireland in this respect, for if the British Executive comes to the conclusion that they will remove the restrictions at present existing on the importation into Great Britain and Ireland of foreign cattle, declaring that there was no longer any danger from contagious disease arising from animals imported from Canada, for instance, or Argentina, the Irish Parliament would be, under the Bill, absolutely powerless. Legislation attempted to guard the interests of this immense Irish trade would be void; not a regulation could be made to conflict with the British enactments, or with orders, rules, or regulations made under any Act of the British Parliament. The 41st section of the Act would override any Irish enactment by a British enactment, even if the Irish Act purported to be made as a regulation for the protection of Ireland from contagious disease. This is not a visionary supposition. Everyone acquainted with the conditions of the Irish Cattle Trade knows what a conflict exists in interest between the Scotch and English fatteners and the Irish farmers in relation to the importation of store cattle and other cattle from abroad. The critical position caused by the present outbreak of foot and mouth disease suggests what difficulties would arise.

What prospect is there of peace under a Home Rule system when an Irish Parliament can but indulge in infuriated debates and pass futile declarations as it sees the ruin of its farmer constituents gazetted in rules and regulations of the British Board of Trade?

The Irish Trade Mark.

Again, the Irish Parliament cannot pass any law or the Irish Executive make any regulation concerning

"trade marks, designs, or merchandise marks."[1] The Irish Trade Mark has, in recent years, become a valuable credential. Many cases of fraudulent imitation of the Irish Mark and of Irish manufactured goods and agricultural products have recently occurred in England, and the prosecutions have disclosed that a system of wholesale swindling has been going on in Great Britain by means of false trade descriptions of Irish linen, Irish butter, Irish eggs, or other Irish products. Yet the Irish Parliament is not to have power to legislate to protect Irish merchants, farmers, and manufacturers in this vital matter. Presumably Fraud is to be greater than Freedom, as "Freedom is greater than Finance."

The Irish Exchequer Dominated by the Joint Exchequer Board.

The powers of taxation and of varying and reducing taxation granted to the Irish Parliament are futile as a pretence to give the Irish Parliament fiscal freedom; they are pre-eminently effective if designed to lead through confusion, convulsion, and revolt to future Irish independence.

> "The position of an Irish Chancellor of the Exchequer under the Joint Exchequer Board would be intolerable. He would be bound hand and foot. Before framing his estimates he must ascertain what sum the Board is prepared to allocate in respect of the cost of Irish Services, the proceeds of new taxes imposed by the Irish Parliament, and the amount which is to be allowed in respect of the Transferred Services. An Irish National Parliament which is subservient to a Financial Board consisting of five men, sitting probably in London, does not appear to be a sound base upon which to found a competent hope of the settlement of the Irish question."[2]

---

[1] Clause 2 (10). [2] *Quarterly Review*, July, 1912, p. 286.

CHAPTER XV.

The Precedents of the American Revolution Adopted by the Cabinet.

Mr. Herbert Samuel, commending the policy of the Bill, said:—

> "Never does history record any graver blunder than that which was made when the American Colonies revolted, and when, in the House of Commons, Townshend, Grenville, and others refused them the right of liberty. The Townshends and the Grenvilles in this world never die. They re-appear in every generation. Never are they able to learn the lessons of the past."

These words are an eloquent plea for one of the two possible courses open in dealing with the Irish question—absolute repeal of the Union and restoration of the complete independence of the Irish Parliament, with an added independence, that of an Irish Executive. Between this course and that of the Union—under which Ireland enjoys equal laws, rights, liberties, and opportunities with Scotland and England—no half-measure is possible or practicable. As a plea for the present Home Rule Bill the words of the Postmaster-General, who has been by far the ablest exponent of the Bill in the House of Commons, are a sentence of condemnation on the authors of this measure which both denies to Ireland the "rights of liberty" and deprives her of her free Imperial partnership.

Every one of the cardinal financial principles of this Bill was anticipated in the blundering policy of the

Townshends and the Grenvilles by which England lost America, and who reappear in this generation in the Radical Ministers of to-day. Take their prime argument "Cut the loss."

> "What lost America to England," says Arthur Young in his preface to the *Tour in Ireland*, "was that baneful spirit of Commerce which wished to govern great nations on the maxims of the counter."

The same policy was pressed on Walpole in 1739, and he rejected it, stating that—

> "The true policy for England and the object of his administration would be to encourage to the highest point the Commercial prosperity of the Colonies, that the more it was augmented the greater would be the demand for English products, and thus the wealth of the Colonies would be a source of wealth to the Mother Country."

This is the Irish policy of Unionists to-day. Under the Radical cry, "Cut the loss," Great Britain will keep the loss and cut the gain.

Again, the retention of a nominal Irish representation at Westminster with the object of giving a spurious warrant to the future British taxation of Ireland under Home Rule recalls an ominous precedent. The idea revives a similar proposition made for the purpose of palliating the British taxation of America. It was repudiated by the Colonies founding their rejection on principles not forgotten in Ireland to-day.

> "The treatise which Molyneux had written half a century earlier on the rights of the Irish Parliament had become a text-book in the Colonies, and it was the received doctrine that they owed allegiance to the King, but were wholly independent of the British Parliament. . . . The scheme of sending representatives to the British Parliament

> which would thus possess the right of taxing the Colonies found no favour in America. It was said . . . . the Colonists could never hope to obtain a representation adequate to their importance, and that inadequate representation was even a greater grievance than taxation without representation."[1]

Taxation without representation is a Constitutional impossibility. Taxation with inadequate representation is a Constitutional crime.

The 26th Clause of the Bill contains the germs of the Declaration of the British Parliament which produced the American Revolution. The Declaration proclaimed that—

> "It is just and necessary that a revenue be raised in your Majesty's Dominion in America for defraying the expenses of defending, protecting and securing the same."

The Home Rule Bill proclaims that, though Irish taxpayers will have been paying exactly the same Imperial taxes all the time as British taxpayers, it is just and necessary, as Irish Expenditure now exceeds Irish Revenue, that an additional contribution shall be compelled hereafter from Irish Revenues towards the Common Expenditure of the United Kingdom.

> "It cannot be too distinctly stated," writes Lecky, "that there is not a fragment of evidence that any English statesman or any class of the English people desired to raise anything by direct taxation from the Colonies for purposes that were purely English. They did not ask them to contribute anything to the support of the Navy which protected their coast, or anything to the interest of the English debt."[2]

[1] *Quarterly Review*, 1912, p. 279. Lecky's English History, IV., 122. See Mr. Balfour's speech—Parl. Deb., 15th April, 1912, Vol. XXXVII., p. 51.

[2] Lecky's English History, IV., 60.

Take, again, another precedent of disaster. The proposal that all taxes imposed by either the Imperial or Irish Parliament shall be collected in Ireland by taxgatherers appointed and controlled by the British Ministry has its counterpart in Anglo-American history. A similar attempt was one of the primary causes of the American Revolution.[1]

> "Every act," writes Lecky, "of a Colonial Legislature which sought to encourage a native or discourage an English branch of trade was watched with jealous scrutiny."

Can the Commercial Clauses of the Home Rule Bill find a more apt description? The sections of the Bill which create a Customs barrier between the two Islands and yet subordinate Irish trade policy to that of Great Britain and prevent the Irish Parliament from altering the present Free Trade Tariff, even if the Imperial Parliament should discontinue it for Britain, recall the fact that—

> "The theory of Commerce then universally accepted had involved the Mother Country and her Colonies in a web of restrictions which greatly retarded Colonial development and provided a perpetual subject of irritation and dissension. The Custom House and other Revenue officials, unlike other officials, were not paid by the local legislature. They were appointed directly by the Crown. Smuggling was very lucrative and very popular. Any attempt to interfere with it was greatly resented. The issue of writs of assistance was resisted, and the attack on the Commercial code and the alleged trade oppression of the British Parliament was regarded as the first step towards the Revolution."[2]

---

[1] Lecky's English History, IV., pp. 43, 46.
[2] Lecky's English History, IV., 46.

The whole effect of the Bill is to reduce Ireland from her Imperial co-partnership to the position, not of a modern Colony, but of a Plantation in the early eighteenth century.

Thus the very principles of the Townshends and the Grenvilles are reincarnate in the Home Rule Bill. It is not among the Unionist statesmen that Townshends and Grenvilles find their successors: they are found in the Ministers grouped upon the Treasury Bench with Mr. Asquith.

No Middle Course Between Repeal and the Union Practicable.

But above all, these Ministers seem unable to learn the lessons of the past of Ireland. Their Bill is an anachronism. They re-enact a Poyning's Law. They re-impose the Mercantile bonds of the eighteenth century. They have forgotten, or never heard of, the Commercial propositions of Pitt and their rejection through the jealousies of British and Irish traders. They innovate in unconstitutionalism and tax Ireland, a thing unheard of in all her history, through a British Parliament, and with all British taxes. They cannot comprehend that the Constitutional right of the Irish as a free people must find expression either as it does in equal union and co-partnership in the Imperial Parliament, or in absolute Repeal and unfettered Parliamentary independence.[1]

They propose to set up what Sheridan, describing some such intermediate scheme in 1779, denounced as—

> "A sort of National Vestry for the Parish of Ireland sitting in a kind of mock legislative capacity

[1] See note 1 next page.

after being ignobly degraded from the rank of representatives of an independent people and deprived of the functions of an inquisitorial power exercising and enjoying the greatest authority any Parliament can possess."

Canning truly said:—

"There can be no mode of arrangement devised for the several possible differences and disagreements between the two kingdoms short of Union which will not take away from the Parliament of Ireland even the shadow of independence and deprive it of all freedom and dignity in the points most essential to its very being as a Parliament."[1]

The blundering policy which lost the American Colonies to England is rehabilitated by Radicalism and Redmondism in this Bill "for the Better Government of Ireland," and they offer as the alternative for the Union this "bulging, kneaded, crooked, shambling, squint-cornered amorphous botch, a mere enamelled vessel of dishonour."[2]

The Degradation of Ireland by the Bill.

This is the thing which is to supplant the enjoyment by Ireland of equal laws, identical liberties, untrammelled commerce, and perfect co-partnership which she now enjoys in ruling the Great Britannic Empire. Is it any wonder that every loyalist in Ireland—Northern and Southern—bitterly resents this degradation of his native land, this violation of her liberties and her honour, no less than the injustices which they as individuals all must suffer? Most certainly when the

---

[1] See the Declaration of the Irish Volunteers at Dungannon in 1782. Passed as a resolution by Grattan's Parliament, and acknowledged by the British Renunciation Act, 23 Geo. III., c. 28.

[2] Carlyle—*Past and Present.*

masses of Nationalist Ireland discover their betrayal, then indignation will be unmeasured, and they will set themselves to the study of revenge and hate.

> "It is most of all because Irish loyalists resist being robbed of any fraction of their Imperial inheritance that they raise their voices. From a selfish point of view, Irish loyalists in the past have been too loyal; but if they are expelled from their citizenship and heritage the mistake of exaggerated loyalty will not be repeated by their sons."[1]

The words of Lecky, written in 1893, are as true to-day as they were then:—

> "In the eyes of the Irish loyalists the policy is a policy of the basest treachery. In one form or another Ulster will certainly resist, and the only power that can coerce Ulster is an Imperial force acting under Imperial orders. It is possible that British troops may be some day employed in shooting down Ulster Protestants, because they refuse to place themselves under priestly or Fenian rule. But if that day arrives, it is not too much to say that it will see all attachment to Great Britain on the part of Irish Protestants extinguished for ever.
>
> "The addition of some millions a year to British taxation is but a very small part of the consequences that would follow. The path that Parliament is asked to tread is a path that leads to Separation, and through Separation to the downfall of the Empire."[2]

These pages criticising the Finance of this Bill have been written mainly from an Irish point of view, and as if there was in Ireland no division of opinion on the policy of Home Rule. They have been written as if the great Fact of Ulster did not exist; as if no North stood rigid as a bar to ban it. Did all Ireland, North and South,

---

[1] The Right Rev. J. H. Bernard, D.D., Bishop of Ossory, speaking at the Albert Hall, 14th June, 1912.

[2] W. E. H. Lecky in *The Observer*, 4th March, 1893.

now acclaim this Bill it would still in action inevitably break Ireland and blight Great Britain. But put Ireland aside. Cast her away, and consider only what will be the result to the fiscal fortunes of the British people who are rallied to think Imperially by the clarion call of "Cut the loss." How will their credit stand? and to what will their Consols fall when they toss and jolt in the storm of Irish Civil strife or the still more dangerous calm that may possibly at length succeed when a cheated people combines in study to defeat in return those who, as they will assuredly then be taught, have defrauded them?

> "Reflect how you are to govern a people who think they ought to be free and are not. Your scheme yields no revenue. It yields nothing but discontent, disorder, disobedience."[1]

Consider the realities of the case. Are the finances of the Empire, under the new dispensation, so sound that they can stand the shock which the certain resistance of the North will bring upon them, and the ruin which the overbearing of it—IF it is overborne—will bring upon Ireland and Britain under Home Rule? There will be no peace in Ireland, nor will there be peace in the Parliament of Britain. There will be strife between the peoples and hate abounding, and disaster will be felt by the people of Egland no less in their private concerns than in their National concerns. You cannot ruin—as this Bill must ruin—the commerce and industries of Ulster and all the rest of Ireland, deprive the sister Island of Imperial credit, arrest her social and industrial development, atrophy her and super-tax her, and not feel the effects of this vast National Irish disaster re-act in every home in England and Scotland.

[1] Burke on *Conciliation with America.*

You cannot commit the repayment of one hundred and fifty millions of Imperial monies advanced for Land Purchase and Local Loans to the chances of repayment by a broken community and not feel the impoverishment of Ireland beating down the Imperial credit in the markets of the world.

England has not hitherto marched upon the path of her Imperial destinies chanting, as she now is bidden, as her National Anthem, "Cut The Loss."

> "Never on this earth was the relation of man to man long carried on by cash payment alone. . . . Such philosophies will arise; for man's philosophies are usually the 'supplement of his practice,' some ornamental Logic-varnish, some outer skin of articulate Intelligence, with which he strives to render his dumb instinctive doings presentable when they are done. Such philosophies will arise; be preached as Mammon-gospels—the ultimate evangel of the world; be believed with what is called belief, with much superficial bluster; and a kind of shallow satisfaction real in its way; but they are ominous gospels! They are the sure and even swift forerunner of great changes. Expect that the old system of Society is done and dying and falling into dotage then. . . . The Ideal, the True, the Noble that was in these systems having faded out. . . . they cannot live; they are bound and inexorably ordained by the older Destinies' Mothers of the universe to die. Curious enough, they thereupon. . . . devise some light, comfortable kind of wine and walnuts philosophy for themselves . . . . . . and keep saying during hours of mastication and rumination, which they call hours of meditation: 'Soul take thy ease, it is all *well* that thou art a vulture soul,' and pangs of dissolution come upon them oftenest before they are aware!"[1]

[1] Carlyle—*Past and Present.*

APPENDICES

APPENDIX I.

"True" Revenue.

Description of the Annual Financial Relations Return (Treasury White Paper), Prepared by the Secretary, Mr. Aubrey V. Symonds, to the Committee on Irish Finance, and printed in the Appendix to the Report of the Committee—[Cd. 6153 of 1912].

THE amalgamation of the British and Irish Exchequers took place in 1817. Pursuant to the Act 56 Geo. 3, c. 98, all revenues in Great Britain and Ireland were, from and after the 5th January, 1817, to constitute one general fund, called the Consolidated Fund of the United Kingdom; and that fund was to be charged with and indiscriminately applied to (1) the respective services of the British and Irish debts; (2) the Civil List; (3) all other services previously charged on the separate Consolidated Funds of the two Kingdoms; and (4) supply services of the United Kingdom generally.

Since 1817 the Exchequer of the United Kingdom has taken whatever revenue Ireland has yielded, and in return has accepted responsibility both for the capital liabilities and for the administrative expenses of Ireland; and, in consequence, Ireland's contribution to Imperial expenditure has been represented by the amount by which her true revenue has exceeded her own local expenditure.

The consolidation of the two Exchequers was followed by the unification of the Customs system, and since 1825 no accounts have been kept of the quantities and values of the articles shipped from one country to the other. This absence of accounts has made it difficult to ascertain the true revenue of each country. As Sir Edward Hamilton pointed out in the memorandum which he presented to the Royal Commission of 1896—

"It is evident that Customs and Excise duties may be collected in Great Britain in respect of articles which

are consumed in Ireland and *vice versa*, and that in that case the revenue derived from the duty is properly to be credited, not to the country in which the duty is collected, but to the country in which the duty-paid article is consumed."

Notwithstanding the difficulty which has thus been created, attempts have been made to estimate the true revenue of each country.

In the year 1890 a Select Committee was appointed to consider the financial relations between England, Scotland, and Ireland, and in the course of their proceedings the Treasury undertook to collect information bearing on the matter referred to the Committee. Although that Committee never produced a Report, the information collected for their use was presented by the Treasury to the House of Commons as a separate paper in 1891. A similar Return in a rather more accurate form was issued in 1893; and Returns are now annually ordered by the House of Commons, showing (1) the amount of revenue "contributed" by England, Scotland, and Ireland respectively; (2) the expenditure on English, Scottish, and Irish Services met out of such revenue and (3) the balances of revenue contributed by England, Scotland, and Ireland, respectively, which are available for Imperial Expenditure.

The principles upon which the earlier estimates were based are explained in the Parliamentary Papers, No. 329 of 1891, No. 93 of 1893, No. 248 of 1893, No. 305 of 1893, and No. 313 of 1894, and were subjected to somewhat searching criticism by the Childers Commission. For the purpose of these Returns, inquiries were made in the years 1890–1 and 1893–4 as to the movements of certain dutiable articles between England, Scotland, and Ireland, and the Returns presented for the years down to 1902–3 inclusive were based upon the results then obtained. But for the year 1903–4 it was decided to institute a new inquiry, because the results of the former inquiries were likely to have been rendered obsolete by changes of population and other causes, and also because sugar, not being then a dutiable article, had not been included. The steps taken on this occasion to obtain a more accurate basis for determining the contributions to revenue of the three countries are explained in a Memorandum presented to the Committee by Sir George Murray.[1] Further inquiries have since been instituted by the Revenue Departments to which reference is made below.

---

[1] This important Memorandum is suppressed by the Cabinet.

The *general* principles on which the adjustments, made in the Financial Relations Returns, have been based are stated in the Treasury Return of 1891, as follows :—

"In all cases of duties on consumable articles, where statistics of consumption are available, the Revenue Departments have taken actual consumption in each kingdom to be the measure of contribution of that kingdom. Where such statistics are not forthcoming, the best information on the subject has been procured, and on such information adjustments have been based ; or, in the absence of any information, the receipts have been apportioned between the three kingdoms according to population. This apportionment according to population has only been applied to one or two unimportant articles of revenue ; and, had the amounts *collected* under these heads been held to be the amounts *contributed*, the difference in the aggregate contribution would not be material. As regards direct taxes, collection has not necessarily been accepted as the contribution, but adjustments have been made on the principles explained in the memoranda."

The method of apportionment adopted in regard to each particular item of revenue is explained below.

A.—REVENUE FROM TAXES.

I.—Customs Revenue.

Cocoa.—The revenue from Cocoa Duty is apportioned between the three kingdoms according to population. The Memorandum by the Board of Customs embodied in Parliamentary Paper, No. 329 of 1891, contains the following statement with regard to cocoa :—

"When cocoa is moved between the separate divisions of the kingdom it is so very generally described as 'groceries' in the books of carriers and shipping companies, that it has been found impracticable to obtain any returns as to the quantities removed. It is, moreover, so altered by the addition of cornflour, starch, etc., by which its bulk is increased, that its identity becomes completely lost. England is the main locality of importation of cocoa and the seat of its manufacture, and it is possible that it is consumed in a rather larger proportion in that kingdom than in the other two."

No other method has since been devised for apportioning the cocoa duty revenue, and the receipts are accordingly still adjusted by reference to the population.

The total revenue from cocoa was £310,000 in 1908–9, £303,000 in 1909–10, and £339,000 in 1910–11. Of these amounts Ireland was credited with £30,000 in 1908–9, £29,000 in 1909–10, and £32,000 in 1910–11.

Chicory and Coffee.—These articles, like cocoa, are so often known as "groceries" that it is very difficult under present conditions to trace their movements. The revenue receipts are, however, divided according to the proportions ascertained for 1890–91 from the returns furnished by the railway and shipping companies in respect of the four months ended 31st March, 1891. (*See* the Customs Memorandum on page 31 of Parliamentary Paper 329 of 1891.)

The total revenue from these articles was £233,000 in 1908–9, £228,000 in 1909–10, and £225,000 in 1910–11; Ireland being credited with £13,000 in 1908–9, the same amount in 1909–10, and £12,000 in 1910–11.

Dried Fruits.—The Customs Memorandum on page 6 of the 1891 Return contains the following statement:—

> "Great efforts have been made to ascertain the movements of dried fruits between the three kingdoms. The members of the trade have been appealed to by circular for assistance in securing correct information, but with very little success. More than forty-nine-fiftieths of the duty is paid in England, and it is possible that the English consumption per head of the population is in excess of the Scotch and Irish consumption. Under the conditions stated, however, it has only been found practicable to divide the total duty collected according to the relative population of the three divisions of the United Kingdom."

The same method of calculation is still pursued. The total revenue from dried fruits was £472,000 in 1908–9, £501,000 in 1909–10, and £472,000 in 1910–11; of which Ireland's proportion was computed to be £46,000 in 1908–9, £49,000 in 1909–10, and £46,000 in 1910–11.

Foreign and Colonial Spirits.—In the case of spirits the Revenue Departments claim that they are able to make an exact adjustment of the respective contributions of the three countries by means of the "Permit" records of spirits removed after payment of duty.

Under the Spirits Act, 1880, no quantity of duty-paid spirits exceeding one gallon can be moved from any one part

to any other part of the United Kingdom without an "Excise permit." Different forms of "permits" are in use, but in every case there is a duplicate or counterfoil, and under the system devised by the Customs and Excise authorities an accurate record is compiled from the permits or their counterparts of all movements of spirits from one country to another. The total revenue derived from the duty on foreign and colonial spirits was £3,961,000 in 1908–9, £3,293,000 in 1909–10, and £4,299,000 in 1910–11; Ireland's share for each of the three years being £320,000, £279,000, and £352,000.

Motor Spirit.—The duty of 3d. per gallon on motor spirit is a new duty under the Finance Act, 1909–10, and was imposed on imported motor spirit from the 30th April, 1909. It appears therefore for the first time in the Revenue and Expenditure Returns in the year ended 31st March, 1910. In that year the total net receipt from the duty on imported motor spirit was £313,000, Ireland's contribution being computed at £10,000. In 1910–11 the total receipt was £427,000, of which Ireland was credited with £14,000. The adjustment in this case is based on the estimated consumption in each country, calculated on three months' Customs permits.

Sugar, Tea, and Wine.—The adjustment in the case of sugar, tea and wine is based on the result of the inquiries instituted in 1903–4. In that year owners of vessels carrying these goods between Great Britain and Ireland were requested to furnish weekly statements throughout the year of their shipments to the collectors of Customs at Irish ports. They were provided with forms showing the details required and presenting results to which official checks might be applied. Officers of Customs were directed to make occasional examinations of these goods, brought from Great Britain to Ireland, or sent from Ireland to Great Britain, and they were instructed to compare the results of their scrutinies with the shipowners' accounts, and also to call for manifests and invoices of cross-Channel vessels, comparing the particulars shown thereon with the shippers' returns. The shippers' returns were transmitted to the Statistical Office, where an account was kept of the quantities removed under bond, that is, before payment of duties. By subtracting the quantities moved under bond from the total quantities interchanged, the quantities interchanged after payment of duties are disclosed. When these factors are settled the revenue contributions of Great Britain and Ireland are determined because the quantities on which duty is collected

in each division are officially registered. As between England and Scotland the contributions ascertained for Great Britain are divided on population proportions.

The Revenue derived from these articles and the amount contributed by Ireland according to the Treasury White Paper was as follows :—

——	Year.	Total Revenue.	"Contributed" by Ireland.
Sugar... ...	1908-9	3,161,000	297,000
	1909-10	2,960,000	276,000
	1910-11	2,961,000	273,000
Tea	1908-9	6,046,000	582,000
	1909-10	5,678,000	542,000
	1910-11	5,930,000	560,000
Wine	1908-9	1,121.000	82,000
	1909-10	1,123,000	81,000
	1910-11	1,236,000	88,000

Tobacco.—In the case of Tobacco the adjustment has been made with reference to the proportions ascertained in 1903-4.

As was pointed out in Parliamentary Paper 329 of 1891, the conditions under which the consumption of tobacco in each of the three kingdoms has to be worked out present some complexities from which the calculations in respect of other articles are free. In the case of tobacco there are several rates of duty, of which one is applicable to the article in a raw state, and the others in its various manufactured conditions.

There is official information as to the removals of unmanufactured tobacco, as all unmanufactured tobacco which is moved from one side of the Channel to the other from the bonded warehouses to the manufacturer has to be accompanied by a permit.

But with regard to manufactured tobacco, of which no official account is kept, it is necessary to obtain information from the manufacturers and dealers in the three countries. The method adopted to overcome the difficulty caused by the varying rates of duty on manufactured tobacco was explained to the Committee as follows :—

> "Broadly, the first fact taken into consideration in the year 1903-4 was the amount of leaf tobacco duty-paid in each division of the United Kingdom. That amount was

modified by the leaf and manufacturers' returns duty-paid that were moved from one division to another under permit. From these totals the quantities on drawback from each country were deducted. Then the manufactured tobacco—that is, tobacco made from leaf and worked up in free factories—moved from one division to another, in the quantities ascertained by Sir Arthur Tedder's inquiries, was converted into terms of leaf, and added or deducted as the case might be from each division of the United Kingdom. The foreign manufactured tobacco was treated separately, and the interchanges of foreign manufactured tobacco after payment of duty, and also of cigars after payment of duty were ascertained. The appropriate rates were applied to all manufactured and unmanufactured tobacco in terms of leaf; then there was the rate for cigars. Bringing these together, we were enabled to show what was the contribution from each country."

Acting under instructions from the Treasury the Commissioners of Customs and Excise have obtained fresh returns as to the consumption of tobacco during the past financial year. These returns were based on information supplied by tobacco manufacturers and tobacco dealers as to removal of duty-paid manufactured tobacco (including cigars, cigarettes, and snuff) from Great Britain for consumption in Ireland, or from Ireland for consumption in Great Britain, care being taken to exclude any tobacco removed under bond and any tobacco removed to a port in Ireland or Great Britain, as the case might be, for transhipment for exportation.

The total revenue from tobacco was £13,824,000 in 1908–9, £15,681,000 in 1909–10, and £17,170,000 in 1910–11. Of these amounts Ireland was credited with £1,309,000 in 1908–9, £1,472,000 in 1909–10, and £1,595,000 in 1910–11.

Other Articles.—In respect of other customable articles the adjustment is made according to population. The total revenue under this head was £30,000 in 1908–9, £43,000 in 1909–10, and £49,000 in 1910–11; Ireland being credited with £3,000, £4,000, and £5,000 in those years.

II.—Excise.

Spirits.—The figures for Home Made Spirits, as in the case of Foreign Spirits, are ascertained from the "permit" returns. (*See* "Foreign Spirits" above.)

The receipts from Home Made Spirits were £17,456,000 in 1908–9, £14,565,000 in 1909–10, and £18,751,000 in

1910–11 ; Ireland's contribution being £1,948,000 in 1908–9, £1,596,000 in 1909–10, and £2,216,000 in 1910–11.

Beer.—The duty on beer, unlike the duty on spirits, is charged immediately the beer is made. The account is made up every month and the brewer pays the duty whether the beer is ready for consumption or not. Consequently no "permits" are required for the removal of beer from place to place, as is the case with spirits, and no official statistics exist bearing on the question of the true Irish revenue from this source. In the absence of such statistics it has been necessary to base the adjustment on information derived from various sources, chiefly from returns supplied by traders and dealers.

Inquiries with this object were instituted in 1893–4 and in 1903–4, and application has again been made to the brewers and the larger dealers in beer for information as to the removals of beer during the past financial year.

The adjustment required in respect of the drawback on exportation is made automatically. Thus, primarily the net duty is arrived at by deducting the duty repaid in the country where the charge is raised : then the returns made by traders of the quantity of beer (other than that exported by themselves) removed to another division of the country affords the necessary information for the adjustment of the several contributions. If some of the beer so advised as removed is exported from the country to which it is sent, and the drawback is paid within that country the proper adjustment is brought about automatically ; *e.g.*, if Guinness sends beer to a shipper in London, such beer not being exported by the brewers but by the shippers, Guinness would return this beer as having been sent to England ; it would be deducted from the Irish contribution and added to the English ; on exportation the English shipper is paid the drawback, which is accordingly deducted from the English contribution, *i.e.*, it is eventually deducted from both the Irish and the English figures.

The Beer duty yielded £12,691,000 in 1908–9, £12,532,000 in 1909–10, and £12,767,000 in 1910–11.

Ireland's contribution is computed as £986,000 in 1908–9, £1,073,000 in 1909–10, and £1,140,000 in 1910–11.

Patent Medicine Labels and Playing Cards.—By section 4(4) of the Finance Act, 1908, the stamp duties on medicines and on playing cards were deemed excise duties and as such were transferred to the Commissioners of Customs and Excise on the 1st April, 1909. The receipts from these sources appear as a separate item for the first time in the Return

for 1909–10, in which the total revenue therefrom as collected is shown as £343,000, Ireland being credited with £10,000, medicine labels being adjusted as estimated in 1906. In 1910–11 the total net receipts were £357,000, and Ireland's contribution is given again as £10,000.

III.—Estate, &c., Duties.

Generally speaking, in the case of the Estate Duties the revenue as collected is treated as representing the true revenue. In the memorandum prepared by the Inland Revenue and embodied in Parliamentary Paper No. 329 of 1891 it is stated that—

> "The authorities of the Legacy and Succession Duty Office"—now the Estate Duty Office—"are decidedly of opinion that, for practical purposes, it may be assumed that the Probate duty collected in each of the three kingdoms corresponds closely with the duty on the property of persons dying domiciled in these kingdoms respectively. . . . The same considerations . . . indicate that the estate duty should be allotted as collected."

With regard to the Legacy Duty it is stated that—

> "This tax is collected in the country where the deceased was domiciled, and, even assuming that it falls on the recipient of the legacy, there is no means of ascertaining in which of the three kingdoms the recipient of any particular legacy is domiciled. This branch of revenue must therefore be taken as collected."

And with regard to the succession duty it is said that—

> "This may be taken as mainly (*i.e.* to extent of four-fifths) duty on real property passing by death. The Succession Duty Office"—now the Estate Duty Office—"reports that the duty, so far as real property is concerned, is almost invariably paid in the country in which the property is situate. The duty is therefore allotted as collected."

The present Secretary of the Estate Duty Office expressed his general agreement with the above statements.

No adjustment is made in respect of duty paid in one country on property attributable to (*e.g.* assessed to income-tax in) another country. So far as real property is concerned, the duty is invariably credited to the country in which the property is situated; but in the case of personal property, duty is occasionally paid in one country on property outside that country. The information in the possession of the

Estate Duty Office, obtained from the records of "resealing" (which is in effect the official recording in one kingdom of a will already proved and assessed to probate in either of the other two), shows the amount of English personalty held by Scotch and Irish taxpayers, the amount of Scotch personality held by England and Irish taxpayers, and the amount of Irish personalty held by English and Scotch taxpayers. These statistics are used for the purpose of making an adjustment of the revenue collected under Income Tax, Schedules C. and D.

One correction is made in the estate duty figures, an allowance being made for duty levied on the property of persons dying domiciled outside the United Kingdom; but this correction does not affect the Irish contribution

The total, estate, &c., duties collected were in 1908–9, £18,310,000; in 1909–10, £21,755,000; and in 1910–11, £25,709,000. The revenue contributed by Ireland under this head is given as £716,000 in 1908–9, £684,000 in 1909–10, and £1,144,000 in 1910–11.

IV.—Land Tax and House Duty.

The Land Tax and the House Duty extend only to England and Scotland, and are assigned to those kingdoms as collected in them without any adjustment.

V.—Income Tax.

Under the Income Tax Acts all property and profits arising in the United Kingdom are, as far as practicable, charged at their first source, without regard to the ultimate destination of the profits or income. It is accordingly necessary to adjust the figures of revenue as collected under certain schedules in order to allow for tax collected in one country on incomes belonging to persons domiciled in one of the other countries.

The duties under Schedules A and B apply to property with a definite situation and are collected where that property is situate. As to Schedule A, there is no means of ascertaining where the persons live who are in receipt of the income derived from such property, and there is, therefore, no alternative but to assign those items in accordance with the figures of collection.

As to Schedule B, the assessments are made on the actual occupiers of the land, who almost universally reside where those lands are situated. The figures of collection therefore represent almost exactly the true contribution.

The necessity for some correction is most obvious in respect of the figures of revenue collected under Schedule C (Profits from Government Securities) and part of Schedule D (Profits from Public Companies, &c.). The great majority of the profits under Schedule C, and a large proportion of those under Schedule D, are assessed in London, but the securities are held by persons domiciled in all parts of the three kingdoms. As, however, the machinery of the income tax cannot be employed to ascertain where the recipients of interest and dividends reside, the adjustments are made on the basis of the probate statistics of re-sealing. Thus, for example, the average of the Estate Duty statistics for the five years ended 1907–8 show that 2.3 per cent. of the property (free personalty) subject to duty was situated in England but owned in Scotland or Ireland (viz., 1.5 per cent. in Scotland and .8 per cent. in Ireland. Accordingly, for the year 1908–9 the adjustment under this head of income tax was made by taking the total produce in the United Kingdom of Schedule C and Schedule D (Public Companies, &c.), deducting 2.3 per cent. from the amount collected in England and adding 1.5 per cent. and .8 per cent. to the amounts collected in Scotland and Ireland respectively. An allowance is also made, the percentage being again based on Estate Duty statistics, for duty on the property of persons domiciled abroad. The effect of these corrections on the 1908–9 figures was as follows;—

Revenue as Collected.

England.	Scotland.	Ireland.	Total.
£ 13,716,000	£ 1,278.000	£ 311,000	£ 15,305,000

Revenue as Adjusted.

England.	Scotland.	Ireland.	Other Sources.	Total.
£ 13,110,000	£ 1,502,000	£ 433,000	£ 260,000	£ 15,305,000

As regards the other part of Schedule D (Trades and Professions), it is believed that one-fifth of the amount under

that part of the Schedule may be taken to consist of interest on capital, and to this extent an adjustment is made on the basis of the Estate Duty statistics. The remainder is shown as collected, for as the assessments are made at the place where the trade is carried on, or the profession is exercised, it may be taken that, with the exception of the portion representing interest on capital, the tax is borne by persons resident in the country where it is paid.

One-fifth of the official portion of Schedule E, collected in London, representing income tax on the salaries of Imperial officers, including Army and Navy, and being accordingly regarded as Imperial in character, is deducted from the amount collected in England and attributed to "other sources."

Subject to this allowance, the receipts under Schedule E are shown as collected.

VI.—Stamps.

An adjustment, similar to that made in the case of income tax, Schedules C and D (Public Companies), is made to cover transactions effected in London, but relating to Scotland and Ireland. In Parliamentary Paper, No. 329 of 1891, this correction was made on the whole of the total produce; but in Parliamentary Paper No. 93 of 1893 it was stated that—

> "It appears erroneous to apply to the whole field of 'General Stamps' a correction arising solely upon realised personal property; and the correction has been revised so as to extend only to such portion of the General Stamp Revenue as the Board of Inland Revenue consider to arise from dealings in such property."

The portion of the General Stamp Revenue here referred to is composed of the stamp duties on transfers of stocks, &c., marketable securities transferable by delivery, share warrants, and a few other items. On the average the produce of these items amounts annually to approximately one-fourth of the total produce. Accordingly one-fourth of the total General Stamp Revenue is adjusted on the basis explained above.

A further adjustment is made on account of the duty on Insurance Policies, and a correction is also made in respect of taxation levied on property situated in the United Kingdom, the proprietors of which are domiciled abroad.

B.—NON-TAX REVENUE.

I.—Postal Service, Telegraph Service, and Telephone Service.

The following statement, supplied by the Post Office, shows how the amounts included in the Financial Relations Return for the year 1909–10 were arrived at :—

Revenue.

Gross collections in Ireland		...£1,240,739
Less Payments out of Revenue allocated to Ireland :—		
(1) To Railway Companies and Customs on account of Parcels Post	£88,946	
(2) To Inland Revenue Department (unified stamps) ...	26,534	
(3) To Cable Companies and foreign countries (foreign telegrams)	14,750	
		130,230
Net total ...		£1,110,509

Expenditure.

Expenditure booked against Ireland under Irish Sub-heads of the Post Office Vote ...		...£1,241,495
Do. under other Sub-heads of the same Vote :—		
Half-share of cross-Channel services	£62,000	
Uniform clothing, stores and mail bags	21,018	
Surveyors' and Engineers' salaries	12,466	
Superannuations	4,722	
Manufacture of postage stamps, &c.	11,669	
Ship letter mails between Scotland and Ireland	170	
Repairs to cables	4,103	
Annuity for advances under Telegraph Acts	9,636	
Marconi ship-to-shore stations, &c.	4,533	
	130,317	

Deduct :—

Appropriations in Aid proper to Ireland but credited to England and Wales	£8,295	
		122,022
Total chargeable to Ireland ...		£1,363,517
say, to agree with Exchequer issues		£1,365,000

II.—Crown Lands.

The accounts of the Commissioners of Woods, &c., are kept in such a form as to show, without much difficulty, both the gross amount of the Crown revenue collected in each of the three kingdoms, and the out-goings in each, which are defrayed before the net surplus revenue is transferred to the Exchequer. Some portion of the Crown revenue under this head is derived from the Isle of Man, and a few other external sources, and is classed as "Imperial" or "Derived from other sources," that is, sources which cannot be assigned to any one of the three component parts of the United Kingdom.

III.—Receipts from Suez Canal Shares and sundry Loans.

This item is treated in the Returns as "Imperial," or "Derived from other sources."

IV.—Miscellaneous Revenue.

The distribution of the items under this head follows largely the classification adopted for the corresponding items of expenditure. A considerable part of the total (49 per cent. in 1908–9, 35 per cent. in 1909–10, and 59 per cent. in 1910–11) is entered in the column "Derived from other sources."

C.—EXPENDITURE.

In dealing with the distribution of expenditure, the Returns have consistently followed the broad lines laid down in Parliamentary Paper, No. 329 of 1891, viz. :—

"All items of expenditure have, as far as possible, been divided between the three kingdoms according as expenditure is incurred on English, Scottish, and Irish

services, without there being drawn any inferences as regards the equity of the contributions, or the advantage derived from the expenditure."

The actual methods of analysis applied to the expenditure are stated in the memorandum prefixed to Parliamentary Paper No. 93 of 1893, as follows :—

1. All items clearly arising from the service of the United Kingdom as such, or of the Empire at large, have been put under the head of "Imperial Services." Such items are mainly for the service of the Imperial Parliament, the National Debt, the Army and Navy, and for Foreign and Colonial Services, whether at home or abroad.
2. All items clearly referring only to services for the special use of England, Scotland, or Ireland have been charged against the kingdom to which they respectively appertain.
3. Doubtful or mixed items have been dealt with according to the special conditions of each case, with a view to distributing them, so far as possible, under the four heads of the tables. Such distribution has been made, wherever possible, on a basis approved, or on figures supplied, by the Department concerned.
4. Where analogous services occur in England, Scotland, and Ireland, the English item has generally been charged to England, although, as a matter of fact, it may include expenditure from Scotland or Ireland, for the United Kingdom or the Empire ; but where the non-English portion of such an item can be clearly distinguished the separation has been made.
5. Where the expenditure is chargeable to Great Britain only, an attempt has been made to divide it between England and Scotland.
6. Where it has been found impossible to distribute the expenditure on any reasonable assumption, with any approach to fairness, it has been classed as an Imperial service. The total amount, however, of such residuum is small.
7. The division has been carried out on corresponding lines, to a reasonable degree of approximation, into what may be called the ancillary expenses of Government, *i.e.*, the cost of housing, stationery, and printing, and non-effective services. For this purpose the analysed figures supplied by Departments to the Comptroller and Auditor-General, and appended by

him to the Appropriation Accounts, have been employed so far as possible.

It should be noted that the word "Imperial" used in the earlier Returns has been replaced in the later Returns by the word "General."

Inasmuch as the tables are prepared before the actual expenditure of the year has been fully ascertained, the expenditure figures are based on "Exchequer Issues," that is to say, they are based, not on the audited expenditure, but on the imprests which the Treasury make to each Department in order to meet their expenditure. The result is probably that the figures show a slight excess in some cases over the actual expenditure, but over a series of years the difference is practically negligible.

D.—CONTRIBUTION TO IMPERIAL SERVICES.

The third part of the Return brings together the figures for England, Scotland, and Ireland, contained in Parts I. and II., so as to show what would be, on the basis of these figures, the net balance of revenue, contributed by each of the three countries, which is available for Imperial or General expenditure after the local expenditure has been met. The accuracy of the estimate thus arrived at must, of course, be measured by the reliability of the figures given in the previous parts of the Return.

APPENDIX II.

Government of Ireland Bill.

OUTLINE OF FINANCIAL PROVISIONS.

Present Irish Revenue and Expenditure.

It is estimated that the revenue to be derived from Ireland in the year 1912–13 will be as follows :—

Customs	...£3,230,000
Excise	... 3,320,000
Income tax	... 1,512,000
Estate Duties	... 939,000
Stamps	... 347,000
Miscellaneous	... 137,000
Post Office	... 1,354,000
Total ...	£10,839,000

It is estimated that the expenditure for Irish purposes in the year 1912–13 will amount to £12,354,000. The expenditure may be divided for the purposes of this Memorandum as follows :—

All purposes not separately specified	...£5,462,000
Post Office	... 1,600,000
Old Age Pensions	... 2,664,000
Charges under the Land Purchase Acts	... 761,000
National Insurance and Labour Exchanges...	191,500
Royal Irish Constabulary ...	... 1,377,500
Collection of revenue	... 298,000
Total ...	£12,354,000

The expenditure therefore exceeds the revenue by £1,515,000.

It is anticipated that in a period of ten or fifteen years the charges under the existing Land Purchase Acts will increase by £450,000, and under the National Insurance Act by £300,000. On the other hand, it is estimated that within twenty years the cost of Old Age Pensions will decrease by £200,000.

Charges upon the Irish Exchequer.

The Bill provides for the establishment of an Irish Exchequer and an Irish Consolidated Fund.

From the Irish Exchequer will be defrayed the whole of the present and future cost of Irish government, with the exception of the expenditure on certain services, termed in the Bill Reserved Services.

Charges upon the Imperial Exchequer.

The Imperial Government will retain the control, and the Imperial Exchequer will continue to bear the cost, of the Reserved Services, namely, Old Age Pensions, National Insurance, Labour Exchanges, Land Purchase, and Collection of Taxes. For a period of six years the Royal Irish Constabulary will also be one of the Reserved Services.

There are provisions for the transfer to the Irish Government of certain of the Reserved Services under the conditions stated below.

Revenue of the Irish Exchequer.

The Bill provides, in the first instance, for the period during which the yield of Irish taxes is less than the cost of Irish administration, and contemplates certain modifications after a financial equilibrium has been attained.

During that period the revenue of the Irish Exchequer will consist of a sum transferred annually from the Imperial Exchequer, and termed in the Bill the Transferred Sum, together with the receipts of the Irish Post Office.

The Transferred Sum will be fixed at the outset at such amount as will cover, with the addition of the Post Office revenue, the present expenditure on Irish Government, with the exception of the cost of the Reserved Services. Included in the Transferred Sum will also be a specified sum as surplus. The amount of this surplus will be £500,000 annually for a period of three years, then diminishing by £50,000 a year for six years till it reaches £200,000, at which sum it will remain.

Subject to this variation in the amount of the surplus and

to certain minor variations specified in the Bill, and subject also to any changes consequent upon the exercise by the Irish Parliament of the powers of increasing or reducing taxation which are defined below, the amount of the Transferred Sum, fixed in the first year after the passing of the Act, will remain the same until an equilibrium is reached between the total revenue derived from Ireland and the total expenditure on Irish purposes.

Revenue of the Imperial Exchequer from Ireland.

The Bill provides that until such equilibrium is established the whole of the proceeds of all Irish taxes shall be collected by the Treasury of the United Kingdom, and be paid into the Imperial Exchequer. (This provision does not apply to Post Office revenue.)

The revenue so collected should be sufficient to cover the Transferred Sum and to provide a balance sufficient to defray a part of the cost of the Reserved Services. As the revenue from Ireland increases in the future, the receipts of the Imperial Exchequer will increase proportionately, and the yearly deficit which will fall at the outset upon the Imperial Exchequer will gradually be lessened and ultimately disappear.

Joint Exchequer Board.

The Bill establishes a Joint Exchequer Board of Great Britain and Ireland, consisting of two members appointed by the Imperial Treasury and two by the Irish Treasury, with a Chairman appointed by His Majesty the King.

The duty of the Board will be to determine certain questions of fact arising from time to time under the financial provisions of the Bill.

The figures given in this Paper are estimates only, and do not purport to be final. The Bill, therefore, does not rest upon these figures, but enables fuller returns to be obtained after the passing of the Act, and it provides that the amounts of Irish Revenue and Expenditure for the purposes of the Act shall be, not the figures given in this Paper, but such sums as may be determined after the passing of the Act, upon the basis of these fuller returns and of the more accurate figures of Revenue and Expenditure which will then be available, by the Joint Exchequer Board.

Revenue and Expenditure Accounts.

If, however, the estimates given above are assumed, for purposes of illustration, to be the figures finally determined,

the Irish Government's Budget in the first year would balance as follows :—

Revenue.	£	Expenditure.	£
Transferred Sum	6,127,000	All purposes not separetely specified	5,462,000
Post Office	1,354,000	Post Office	1.600.000
Fee Stamps	81,000		7,062,000
		*Surplus	500,000
Total	7,562,000	Total	7,562,000

* Subject to subsequent reduction as stated above.

The Imperial Government's receipts and expenditure on Irish account would balance as follows :—

Revenue.	£	Expenditure.	£
Irish Revenue (excluding Post Office and fee stamps) ...	9,404,000	Transferred Sum	6,127,000
Deficit	2,015,000	Old Age Pensions	2,664,000
		National Insurances & Labour Exchanges	191,500
		Land Purchase—	
		(1) Land Commission ...	592,000
		(2) Other Charges ...	169,000
		Constabulary	1,377,500
		Collection of Revenue ...	298,000
Total	11,419,000	Total	11,419,000

Powers of Varying Taxation.

The Bill confers on the Irish Parliament the following financial powers :—

1. It may add to the rates of Excise Duties, Customs Duties on beer and spirits, Stamp Duties (with certain exceptions), Land Taxes, or Miscellaneous Taxes, imposed by the Imperial Parliament.

2. It may add to an extent not exceeding 10 per cent. to the Income Tax, Death Duties, or Customs Duties other than the duties on beer and spirits, imposed by the Imperial Parliament.

3. It may levy any new taxes, other than new Customs Duties.

4. It may reduce any tax levied in Ireland, with the exception of certain Stamp Duties.

The Imperial Treasury will collect the revenue arising from any increases in taxation enacted by the Irish Parliament in the exercise of these powers ; and an addition will be made to the Transferred Sum of such amount as the Joint Exchequer Board may determine to be the produce

of the additional taxation. Similarly, if taxation is reduced by the Irish Parliament, a deduction will be made from the Transferred Sum corresponding to the loss of revenue due to the repeal of a tax or to collection at the lower rates.

The Irish Exchequer will therefore gain or lose by any increase or decrease in taxation enacted by the Irish Parliament, and the net revenue of the Imperial Exchequer will remain unaffected by such changes.

If Excise or Customs Duties are imposed at different rates in Great Britain and Ireland respectively, provision is made for the adjustment of the taxes paid in respect of articles passing from one country to the other.

As administrative difficulties might arise in certain cases if the 10 per cent. limitation mentioned above were in terms to prohibit additions to the taxes in question to an extent of more than 10 per cent. of the rates of tax, the Bill effects the object in view by enacting that only such proceeds of the tax as do not exceed 10 per cent. of the yield of the Imperial tax shall be transferred to the Irish Exchequer.

The Bill makes no specific reference to the powers of the Imperial Parliament to levy taxation in Ireland. The provision in clause 1 that the supreme power and authority of the Parliament of the United Kingdom shall remain unaffected retains the existing powers of the Imperial Parliament in this regard.

Transfer of the Reserved Services to the Irish Government.

After six years, the control of the Royal Irish Constabulary will pass to the Irish Executive. The Irish Parliament is empowered to assume at any time, with twelve months' notice, legislative and executive control with respect to Old Age Pensions, to National Health Insurance, or to Unemployment Insurance, together with Labour Exchanges. When any such transfer of Reserved Services is effected, the financial burden will be assumed by the Irish Exchequer, and an addition will be made to the Transferred Sum corresponding to the financial relief given to the Imperial Exchequer.

Loans and Capital Liabilities.

Loans made for the purposes of land purchase and loans made before the passing of the Act for other Irish purposes will be among the Reserved Services, and the payment of interest and sinking fund charges will be made by the Imperial Exchequer.

New loans may be raised by the Irish Parliament on the security of the Irish revenue. Provision is also made for enabling the joint Exchequer Board, if so authorised by the Irish Parliament, to issue the loans and to meet the interest and sinking fund charges by means of deductions from the Transferred Sum.

The Bill provides for the apportionment between the two Exchequers of liability for existing loans raised for Irish Services.

Readjustment when Financial Equilibrium is reached.

When the total revenue received from Ireland by the Imperial Treasury has been sufficient, during three consecutive years, to meet the total charges for Irish purposes, the Exchequer Board shall report the fact with a view to a revision of the financial arrangements. Since it is impossible now to foresee what services may remain at that time as Reserved Services, what loans may have been contracted during the intervening years, and what changes may have been made in the rates of taxation, the Bill does not attempt to enact the modifications which may then be desirable.

It contemplates, however, as part of the present financial settlement, that Parliament will then consider, on the one hand, the fixing of such contribution by Ireland to the common expenses of the United Kingdom as may be equitable, and, on the other hand, the transfer to the Irish Legislature and Government of the control and collection of such taxes as may be deemed advisable.

APPENDIX (A).

ESTIMATE of Irish Revenue based on the Budget Estimates for 1912-13.

	REVENUE.									
	AS COLLECTED.					AS CONTRIBUTED.				
	In England	In Scotland	In Ireland	From other Sources	Total	By England	By Scotland	By Ireland	From other Sources	Total
	£	£	£	£	£	£	£	£	£	£
Customs	28,180,000	2,680,000	3,040,000	...	33,900,000	27,170,000	3,500,000	3,230,000	...	33,900,000
Excise...	23,420,000	8,690,000	5,590,000	...	37,700,000	29,330,000	5,050,000	3,320,000	...	37,700-000
Estate, &c., Duties	21,778,000	2,733,000	939,000	...	25,450,000	21,482,000	2,716,000	939,000	313,000	25,450,000
Stamps	8,488,000	592,000	320,000	...	9,400,000	8,386,000	631,000	347,000	36,000	9,400,000
Land Tax	670,000	30,000	...	...	700,000	670,000	30,000	...	...	700,000
House Duty	1,877,000	123,000	...	...	2,000,000	1,877,000	123,000	...	...	2,000,000
Income Tax	39,531,000	3,352,000	1,217,000	...	44,100,000	38,204,000	3,925,000	1,512,000	459,000	44,100,000
Land Value Duties	462,000	82,000	1,000	...	545,000	462,000	82,000	1,000	...	545,000
Total Revenue from Taxes...	121,406,000	18,282,000	11,107,000	...	153,795,000	127,581,000	16,057,000	9,349,000	808,000	153,795,000
Postal Service	17,359,000	1,909,000	1,007,000	...	20,275,000	17,359,000	1,909,000	1,007,000	...	20,275,000
Telegraph Service	2,536,000	290,000	174,000	...	3,000,000	2,536,000	290,000	174,000	...	3,000,000
Telephone Service	5,056,000	671,000	173,000	...	5,900,000	5,056,000	671,000	173,000	...	5,900,000
Crown Lands	490,000	26,000	24,000	...	540,000	490,000	26,000	24,000	...	540,000
Receipts from Suez Canal Shares and sundry loans ...	...	...	...	1,289,000	1,289,000	...	...	...	1,289,000	1,289,000
Miscellaneous	857,000	75,000	112,000	1,356,000	2,400,000	857,000	75,000	112,000	1,356,000	2,400,000
Total Non-Tax Revenue ...	26,298,000	2,971,000	1,490,000	2,645,000	33,404,000	26,298,000	2,971,000	1,490,000	2,645,000	33,404,000
Aggregate Revenue ...	150,704,000	21,253,000	12,597,000	2,645,000	187,199,000	153,879,000	19,028,000	10,839,000	3,453,000	187,199,000
Per cent.	*80·51*	*11·35*	*6·73*	*1·41*	*100·00*	*82·20*	*10·17*	*5·79*	*1·84*	*100·00*

APPENDIX (B).

Estimated Expenditure on Irish Services (other than Reserved Services) in 1912–13.

			£
Consoliated Fund			127,500
Payments to Local Taxation Accounts			1,461,500
Voted Services :—			
Class I. (Public Works and Buildings)—			
Surveys	82,000		
Rates on Government property ...	61,000		
Public Works and Buildings ...	250,500		
Railways	48,500		
Other Services	1,000		
		443,000	
Class II. (Salaries and Expenses of Civil Departments)—			
Department of Agriculture, etc. ...	136,500		
Congested Districts Board	169,500		
Local Government Board	111,500		
Public Works Office	47,000		
Valuation, etc., Survey	42,000		
Stationery and Printing	54,000		
Other Services	83,000		
		643,500	
Class III. (Law and Justice)—			
Law Charges, etc	65,500		
Supreme Court, etc.	113,000		
County Court Officers	111,000		
Dublin Metropolitan Police	96,500		
Prisons	112,000		
Reformatory and Industrial Schools ...	112,000		
Other Services	32,000		
		642,000	
Class IV. (Education, Science and Art)—			
Public Education	1,734,500		
Science and Art	138,500		
Universities and Colleges	130,000		
Other Services	6,500		
		2,009,500	
Class VI. (Non-effective and Charitable Services)—			
Superannuation	82,000		
Other Services	17,000		
		99,000	
Class VII. (Miscellaneous)—			
Sundry Services		36,000	
			3,873,000
			5,462,000
Post Office			1,600,000
			7,062,000

APPENDIX (c.)

STATEMENT showing for each Tenth Financial Year from 1839-1840 to 1889-1890, and for each Financial Year from 1893-1894 onwards, the Estimated True Revenue for Ireland, the Local Expenditure (Exchequer Issues), and the Balance available for Imperial Expenditure.

Year	Estimated True Revenue.			Local Expenditure (Exchequer Issues).			Balance available for Imperial Expenditure.		
	Total	Per cent. of United Kingdom.	Per Head.	Total	Per cent. of United Kingdom,	Per Head.	Total	Per cent. of United Kingdom.	Per Head.
	£	Per cent.	£ s. d. Of population at nearest census.	£	Per cent.	£ s. d. Of population at nearest census.	£	Per cent.	£ s. d. Of population at nearest census.
1839-40	5,416,000	10·47	0 13 3	1,789,500	28·57	0 4 5	3,626,500	7·98	0 8 10
1849-50	4,861,500	8·55	0 14 9	2,247,500	27·74	0 6 10	2,614,000	5·37	0 7 11
1859-60	7,700,000	11·15	1 6 7	2,304,000	21·25	0 7 11	5,396,000	9·26	0 18 8
1869-70	7,426,000	10·17	1 7 5	2,938,000	22·31	0 10 10	4,488,000	7·50	0 16 7
1879-80	7,281,000	9·45	1 8 2	4,055,000	19·09	0 15 8	3,226,000	5·78	0 12 6
1889-90	7,735,000	8·31	1 11 11	5,058,000	17·24	1 1 6	2,677,000	4·22	0 11 5
			Of estimated population at middle of year.			Of estimated population at middle of year.			Of estimated population at middle of year.
1893-94	7,569,000	7·81	1 12 10	5,602,000	15·17	1 4 4	1,967,000	3·21	0 8 6
1894-95	7,690,000	7·68	1 13 6	5,616,000	15·26	1 4 6	2,074,000	3·28	0 9 0
1895-96	8,035,000	7·15	1 15 3	5,939,000	15·53	1 6 1	2,096,000	3·01	0 9 2
1896-97	8,146,000	7·40	1 15 10	5,970,000	15·00	1 6 3	2,176,000	3·10	0 9 7
1897-98	8,114,500	7·11	1 15 10	6,134,500	14·39	1 7 1	1,980,000	2·77	0 8 9
1898-99	8,202,000	7·01	1 16 4	6,177,000	14·69	1 8 8	1,725,000	2·36	0 7 8
1899-00	8,664,500	6·88	1 18 5	6,980,000	15·12	1 11 0	1,684,500	2·11	0 7 5
1900-01	9,505,000	6·90	2 2 7	7,306,000	15·53	1 12 8	2,199,000	2·43	0 9 11
1901-02	9,784,000	6·55	2 4 0	7,214,000	14·96	1 12 6	2,570,000	2·51	0 11 6
1902-03	10,205,500	6·52	2 6 1	7,353,000	18·85	1 13 2	2,852,500	2·66	0 12 11
1903-04	9,748,500	6·63	2 4 2	7,548,000	11·58	1 14 2	2,200,500	2·31	0 10 0
1904-05	9,753,500	6·52	2 4 4	7,567,000	11·19	1 14 5	2,186,500	2·27	0 9 11
1905-06	9,447,000	6·33	2 3 0	7,635,500	13·92	1 14 9	1,811,500	1·92	0 8 3
1906-07	9,490,000	6·28	2 3 3	7,678,500	13·57	1 15 0	1,811,500	1·92	0 8 3
1907-08	9,621,000	6·29	2 3 11	7,810,000	13·13	1 15 8	1,811,000	1·91	0 8 3
1908-09	9,250,500	6·23	2 2 5	8,667,500	11·45	1 19 8	583,000	0·66	0 2 9
1909-10* } 1910-11* } Average	9,960,500	6·03	2 5 7	11,028,500	15·85	2 10 5	*1,068,000* ‖	—	*0 4 10*
1911-12†	10,715,000	5·93	2 9 0	11,545,500	15·29	2 12 10	*830,500* ‖	—	*0 3 10*
1912-13‡	10,839,000	5·90	2 9 6	12,354,000	11·79	2 16 5	*1,515,000* ‖	—	*0 6 11*

* Owing to the delay in passing the Finance Bill of 1909, and the consequent postponement until 1910-11 of the collection of a large amount of Revenue proper to 1909-10, the figures for either of the two years, taken separately, afford a very misleading index to the relation between Revenue and Expenditure. The figures shown are the average figures for the two years 1909-10 and 1910-11. On the basis of the Revenue actually collected in 1909-10 the true Revenue was £8,355,000, the corresponding figure for 1910-11 being £11,566,500. The Exchequer Issues were, in 1909-10, £10,712,500, and in 1910-11, £11,344.500.

† The figures for 1911-12 are approximate. ‡ These figures are based on the Budget Estimate. ‖ Deficit.

APPENDIX III.

Government of Ireland Bill, 1912.

HOME RULE AND IRISH COMMERCE.

Chamber of Commerce,
Belfast, *12th June, 1912.*

Report of the Council, presented to a General Meeting of the Belfast Chamber of Commerce, on Tuesday, 11th June, 1912, and adopted with three dissentients.

Your Council have given careful consideration to the Government of Ireland Bill now before Parliament, and feel compelled to state that they fail to find therein anything that would lead them to modify the opinions expressed in the report of the Chamber on the Home Rule Bill of 1893. The general effect of the present measure, as of the Bill of 1893, would be that through the power of taxation the manufactures and commerce of Ireland will necessarily stand at the mercy of a majority who have little direct concern in the commercial interests so vitally affected, and who are without adequate experience of the science of government. Your Council believe that the economic and social conditions of Ireland render it signally unfit for Home Rule. The population is not homogeneous, it is radically divided on the lines of race and religion, and, unfortunately, the two parties are filled with distrust and historical jealousies of each other.

The Chamber, being representative only of commercial and industrial interests, have always endeavoured to avoid as far as possible the controversies of party politics and religion, but when the interests of the whole mercantile community are so gravely threatened by proposals for constitutional change of the most far-reaching character, they feel that emphatic expression of their views is imperative.

Nineteen years have passed since the Chamber took action to oppose the last Home Rule Bill, and all our experience during that period has only served to confirm and justify the position then taken up, of determination to remain an integral part of the United Kingdom, under one Flag and one Parliament.

It is now established that had the Bill of 1893 passed into law the Irish Exchequer would have in a few years become bankrupt, and that the great measures of Land Purchase which have so materially conduced to the peace and prosperity of this country could never have been carried into effect by an Irish Parliament.

As stated in our report on the Bill of 1893 :—

> "The chief economic necessity of the country is the development of manufactures, trade and commerce ; but the vast majority of the population have no appreciation of the conditions under which alone such necessities can be met. They do not seem to know that, while a Government can destroy prosperity by destroying security and credit, no Government can create it in the face of insecurity and suspicion."

Ireland's Advance.—It is indisputable that under the security of the Imperial Parliament the prosperity of Ireland has shown a great and growing advance. The following figures, relating only to the period which has elapsed since the defeat of the last Home Rule Bill, prove this conclusively. The total import and export trade at Irish ports in 1904, the earliest year for which official returns are available, was estimated at £103,790,799, and in 1910 at £130,888,732 sterling. Deposits and Cash Balances in Joint Stock Banks in Ireland on the 30th June, 1893, amounted to £34,637,000, as compared with £56,011,000 in 1911, being an increase of £21,374,000. The figures in relation to Post Office Savings Banks for the same years are £4,155,000 and £12,253,000 respectively ; and for Trustees' Savings Banks £1,856,000 and £2,557,000 respectively. The gross Receipts of Irish Railways in 1893 amounted to £3,181,043, and in 1910 to £4,474,016.

Belfast's Progress.—So far as Belfast is concerned, its progress since the Union has been continuous. In 1783, we find its population was 13,105 ; in 1891 it was 255,950 ; while the Registrar-General's estimate at 1st April, 1912, was 391,051. Thus, since the rejection of the Home Rule Bill of 1893, the population of Belfast has increased by over 50 per cent. In 1893 the valuation of Belfast was £741,000 ;

in 1912 its valuation is £1,543,919. The total local taxation to-day (including Water and Poor rate) stands at 7s. 1d. in the £, that of Dublin being 10s. 3d., and that of Cork 10s. 6d. The funds at command of the three Banks having Head Offices in Belfast were in 1892 £14,797,285 ; in 1911 they aggregated £25,107,600. The amount collected by Customs Department, Belfast, for 1892 was £2,376,511, and by the Inland Revenue Department about £900,000 making together £3,250,000. The total receipts collected by the former (including duty on British spirits) in 1911 was £3,647,686, and by the latter £1,267,691, making together £4,915,377, being from these sources a contribution to Imperial Revenue more than double that of the rest of Ireland, and surpassed by no other city in the United Kingdom except London, Liverpool, and Bristol. In 1893 the tonnage of vessels clearing from Belfast was 2,002,629, and in 1911 2,841,553. The registered tonnage of the ports of Great Britain in 1910 was 13,361,988 ; that of all the ports of Ireland 359,853, and of the latter Belfast holds upwards of 74 per cent. Belfast can show the largest shipyard, the largest tobacco factory, distillery, ropeworks, and linen factory in the world ; and it is satisfactory to be able to state that, according to the latest Board of Trade returns, the rate of pauperism in Belfast is the lowest of any city in the United Kingdom, being only 107 per 10,000, as against 296 in Dublin, 336 in Cork, 263 in Glasgow, 228 in Manchester, 220 in Liverpool, 209 in Bristol, and 210 the average for the United Kingdom. Nor is the very gratifying record in regard to pauperism at present possessed by our city by any means accidental ; for many years, Belfast in this respect has been able to claim an equally enviable position.

In considering the significance of the industrial growth of Belfast as illustrated by the foregoing statistics, it is important to recollect that coal and practically all the raw materials for our industries, such as iron, steel, flax, tobacco, grain, etc., have to be imported, and that it is outside of Ireland that the chief markets for our products are found. The fact that our industrial growth is due to the development of trade with England and Scotland and is also of an international character, and further that the amount of trade done by our shipbuilding and manufacturing concerns for Irish clients is comparatively trivial, amply justifies our desire for the maintenance always of the closest relations with great Britain and complete association with the world wide prestige of the United Kingdom in which we freely participate.

It cannot be too strongly emphasised that the progress of Belfast has been made under *precisely the same laws as those governing the other cities and provinces of Ireland.* No privilege has been, or is enjoyed by Belfast that has not been equally within reach of every other city or town in our island.

Again, as in 1893, we ask :—

> "Why should we be driven by force to abandon the conditions which have led to that success? We can imagine no conceivable reason—no fault that we have committed—which could justify the treatment which this Bill prepares for us. We are to be driven out of our present close connection with England and Scotland; we are to be deprived of the power to control our own future; and we are to be handed over to the government and guidance of men of whose principles we disapprove and whose capacity has never been applied towards the practical advancement of the material interests of the country."

In view of the country's present and growing prosperity, we have a right to ask what is the justification for the present proposal for so revolutionary a change? Ireland is manifestly unfitted for an experiment of such stupendous import as is involved in this Bill; nor is it rationally conceivable how the experiment could possibly succeed. The Commercial and Manufacturing districts though so important form but a relatively small portion of the country. Ireland possesses neither the natural resources, the capital, nor the unity of race or interest capable of enabling it successfully to stand alone without the support of Imperial credit. The following statement from our Report of 1893 holds equally good to-day :—

> "From Belfast, as a centre, business has spread and is spreading. Londonderry, Coleraine, Ballymena, Lisburn, Lurgan, Banbridge, Gilford, Portadown, Cookstown, Strabane, Dungannon, and many other towns are closely connected with Belfast by Commercial ties, and there are now millions of money employed in the trade of Ulster, and tens of thousands of persons dependent on it and thriving by it. The development of that trade is entirely dependent on the maintenance of the sense of security; and it is useless to shut our eyes to the fact that the mere introduction of the Bill, which we have been deputed to examine, has seriously shaken credit."

Guarantees and Safeguards.—Your Council are unable to discover in the Bill any provisions calculated to allay the increasing apprehensions already so widespread. On the contrary, there seems to be a complete absence of any real or practical protection from unwise or unjust taxation or from the injudicious or partial application of taxation. The suggested guarantees and safeguards, both religious and civil, they regard as wholly nominal, and of no practical operative value. This view would seem to be confirmed by the admission made by Sir Edward Grey, Secretary of State for Foreign Affairs, in the House of Commons on May 2nd. Speaking of the Imperial supremacy of the Parliament of the United Kingdom, which the Prime Minister had referred to as the great safeguard for the minority, Sir Edward Grey said :—" I admit that while we preserve Imperial supremacy for purposes of this Parliament in theory over Irish affairs, in practice we shall have to go out of our way to exercise that supremacy. I do not wish to see this done." Then, he went on to assure the Irish Nationalist members that they " may rely with perfect confidence that the Imperial Parliament will not go out of its way—unless there be some very extreme case—to interfere in Irish affairs." So much for the safeguard of the Imperial veto. Nor can your Council regard the nominated Senate as constituting any safeguard or protection on which they could rely. The Senate is to consist of 40 Nominated members, while the Irish House of Commons will contain 164, in which the representatives of the business community are invited to appear in a hopeless minority of about one-fifth. Should any disagreement occur between the Senate and the House of Commons, it is to be settled by a joint sitting of the two Houses, and the matter will be determined by the vote of the majority. It is clear, therefore, that should any question arise between the mercantile and manufacturing part of the community and the rest of Ireland, even though the entire Senate voted with the representatives of the mercantile community (a very improbable contingency, seeing that all members of the Senate, save the first Senate which will be appointed by the Imperial Government, will be nominated on the advice of the Executive Committee of the Irish Government), they would still be powerless to influence the result. Thus the protection offered by the Senate to the commercial and industrial parts of the community is a mere mockery ; and it may be plainly stated that under the provisions of the Bill these interests would be absolutely defenceless.

The projected guarantee by way of appeal as to whether

a particular Act was beyond the powers of the Irish Parliament could only result in uncertainty in legal proceedings under an Irish Act, as the value of a decision by the Court might remain undetermined until the Judicial Committee of the Privy Council had pronounced upon the validity of the Act in question. And, as the right of appeal is not restricted to any given period, uncertainty might endure indefinitely. Indeed, after having been enforced for years, an Act might be declared absolutely invalid, in which event confusion inexpressible must ensue.

The retention of 42 Irish members in the Imperial Parliament definitely prevents a final solution of the difficulties inherent in the attempt to separate Irish from Imperial questions; while the power conferred by Clause 26 to summon at the request of the Joint Exchequer Board an indefinite number of persons—who, though members of the Irish Parliament, would in the Imperial Parliament represent no ascertained constituencies—to vote on the question of the financial relations of the two countries seems to introduce a constitutional machinery wholly unprecedented. No indication is given in the Bill as to how these members are to be selected.

Financial Proposals.—So far as the probable effect of the financial proposals of the Bill can be estimated, your Council fear they give openings to grave injustice in the matter of taxation, and at the same time afford no stable basis on which to estimate a revenue. The new Irish Government is not to collect its own revenue, but very wide powers are given the Irish Parliament to impose new or differential taxation. The power to interfere with Excise duties and in a limited degree with Customs apparently involves the establishment of Customs barriers. It is impossible to overestimate the extent to which this preposterous proposal would hamper the free interchange of commodities between Ireland and Great Britain. The authority to grant Bounties might easily be used as a mischievous form of protection, and would very probably be exercised in futile attempts to establish industries not based on sound economic conditions.

It is to be observed that while not empowering the Irish Parliament to interfere with any question as to land purchase under existing Acts, collection of taxes, or public loans made in Ireland before the passing of the Bill, the Bill does authorise the Irish Parliament to require to be transferred to itself from the Imperial Parliament, at the expiration of one year, the Old-Age Pensions, National Insurance, and Labour Exchange. After ten years, the

Irish Parliament would also have the right to take over the Post Office Savings Bank, Trustees' Savings Banks, and Friendly Societies ; and it is at once entrusted with the Post Office, which of all Government services is the least suited for segregation. Than this, no more retrograde step has been proposed by any Government within the past fifty years. Nova Scotia, New Brunswick, and other Canadian provinces, have abandoned their separate Post Offices to establish one general Canadian Postal service ; the several independent sections of Australia have followed their example, and quite recently the South African Union adopted the same policy, which has proved of extreme benefit to the commercial community. By cutting Ireland off from the advantages of a general postal service for the United Kingdom serious injustice will be done to our industries. Your Council cannot but view with the gravest apprehension the transference of these services to the Irish Parliament.

Should the Bill become law it is to be feared that the present system of Land Purchase, which has operated so successfully, will be entirely suspended. Apparently, under the Bill, the Irish Government would have a free hand to interfere with the present conditions of tenure between landlord and tenant, both as regards rent and continuance ; and it is manifest that any drastic reductions of rent would be liable to create dissatisfaction among those who had purchased on a different footing, and possibly lead to difficulties in collecting the instalments payable under the Land Purchase Acts, any loss from which will be a direct charge on the Irish revenue. It is obvious that any general refusal to pay the amount of the instalments due under the Land Purchase Acts would wreck the finances of the Bill.

General.—With reference to Education, your Council can see nothing in the Bill to prevent the knowledge of Gaelic being made an essential qualification for any public appointment. It is monstrous that English speaking people should by the arbitrary application of such a test be denied opportunity of obtaining official employment.

The determined and solid opposition of practically the whole commercial community of the country and of so large a part of the population of the North of Ireland to a Home Rule Government, even if such opposition were based on ignorance and prejudice instead of well-founded apprehension, would alone ensure its shipwreck. No Government could succeed which had to encounter the bitter hostility of the most progressive and industrial part of its people.

General conditions in Ireland are not such as to give hope of a legislature imbued with wisdom and caution

derived from experience. Throughout the largest part of the country there is but a small representation of the great middle class which in Great Britain has been the mainstay of stable Government, and, further, the political machinery of those who would form the majority in the Irish Parliament has unhappily fallen entirely into the hands of the United Irish League and the Ancient Order of Hibernians, whose dominance in Irish Government would be absolute and intolerable.

Apart from political and religious differences, the overwhelming preponderance of agricultural and rural population over those engaged in commerce and manufacture constitutes a very serious danger. In Ireland, the former outnumbers the latter by nearly three to one. In England these interests are more nearly balanced. It is easy to see how ill-advised taxation or interference with the conditions of industrial employment by a majority wholly ignorant of and inexperienced in such matters might bring speedy ruin on some of our great industries, whose requirements would not be properly appreciated by the representatives of Agricultural interests. The industrial community should not be subjected to this danger, and have a right to insist that both in point of laws and administration Irish industries should remain under the same conditions as rule in the rest of the United Kingdom.

It is not open to doubt that the separation of Irish interests from those of Great Britain, and the social upheaval which Home Rule must necessarily involve, would inflict a serious blow upon the commercial credit we now enjoy and which is essential to our business.

The Measure throughout seems to have been dictated by an attempt to effect a compromise between the political exigency of making substantial concessions to the Nationalist demand, and such limitations on Irish self-government as the most ordinary prudence would impose, and the inevitable result of this scheme would be to break up the full partnership with Great Britain, to weaken if not to destroy the rule of Imperial Parliament, and to offer Ireland a form of constitution, which even the least important colony would reject, and which cannot fulfil the hopes and aspirations of the Nationalist sentiment which it is pretended to satisfy.

Introducing the Bill, the Prime Minister stated that this measure of Home Rule for Ireland was but the first step towards some general scheme of devolution and federation to be at some time hereafter applied to the other parts of the United Kingdom. Your Council most strongly urge that until England, Scotland, and Wales have unmistakably

expressed their willingness to accept for themselves such conditions as are now proposed for Ireland they have no right to ask us to submit to them.

With our firmly established position in the Empire we are perfectly satisfied. The trade and commerce of Ireland are hampered by no qualifications or conditions which do not equally affect every part of the United Kingdom. Indeed, it is beyond controversy that under the rule of Imperial Parliament the country as a whole has obtained benefits and advantages which could never have been secured under any Irish Government.

Therefore, as patriotic Irishmen, we protest against a change more than ever uncalled for, and, as we believe, fraught with disaster to our country, a change under which the peculiar industrial interests of this part of Ireland would be at the mercy of a permanent majority with antagonistic ideals and methods.

In conclusion, as responsible citizens of the United Kingdom, we enter solemn and resolute protest against such unmerited degradation of our status as is assuredly involved in our being thrust out of that full community of interest and national life with Great Britain which we now enjoy.

Signed by order,

R. A. MITCHELL, *President.*
W. J. P. WILSON, *Secretary.*

On the 10th July, 1912, Mr. Asquith received a Deputation from the Chamber of Commerce, and made certain requests for further information, to which the following statement is a reply :—

BELFAST CHAMBER OF COMMERCE AND THE GOVERNMENT OF IRELAND BILL, 1912.

Reply of the Chamber's Deputation to the Prime Minister.

TO THE RIGHT HON. H. H. ASQUITH, K.C., M.P.

SIR,—You were good enough recently to receive a Deputation from this Chamber in support of its Report on the Government of Ireland Bill.

The scope and object of the Report were to show from a

commercial and economic point of view what effect the proposals of the Bill would have on Trade and Commerce and on the general welfare of the country.

The Report dealt in considerable detail with the salient objections to the Bill, and our Deputation did not consider it necessary to elaborate them in addressing you. It was hoped that you would discuss them with us, and we were prepared to supplement the statements in the Report on any points requiring elucidation. You did not, however, in your reply, deal with the specific facts and arguments advanced by us, but expressed disappointment that we had not furnished more particulars as to the effect which in our point of view "the establishment of an Irish Parliament, subject to the safeguards proposed in this Bill, would have on the Industrial and Commercial prosperity of Ireland, and more particularly on the North-East of Ireland," and you asked us to state "in what respects the safeguards were inadequate and in what way they might be supplemented and rendered more effective."

Before discussing these questions, we feel bound to inform you at the outset that, knowing the depth and strength of feeling which at present exists among the masses of the people, we are deliberately convinced that apart altogether from the organised resistance to the establishment of an Irish Government which we know is being steadily prepared, and which can only be put down by the exercise of military force carried to the last extreme, no efforts of the peaceably disposed, and no action of the Executive, can prevent a collision of parties which will produce disorder and bloodshed unparalleled in our recent history, resulting in the paralysis of our industries and in the arousing of sectarian and racial animosities which will not be allayed for years.

Already, employers in many places are finding it difficult and sometimes impossible to induce Protestants and Roman Catholics to work together, especially since the bitter resentment caused by the deplorable attack made by a body of the Ancient Order of Hibernians upon a Presbyterian Sunday School Excursion party. In the situation thus produced, we have a certain foretaste of what will happen over the greater part of Ulster should the Home Rule Bill become law.

We need not dwell upon the effect that such a state of social upheaval must have upon business and commerce. We will only add that it is beyond doubt that the separation of British and Irish interests involved in the breaking-up of the Legislative Union, and in the attempt to force upon so large, important, and determined a section of the people

a system of Government to which they are traditionally and bitterly opposed, must have a disastrous effect upon our National and Commercial credit.

We do not propose to suggest improvements or amendments in a measure which we regard as radically and incurably wrong in principle and unworkable in practice, and which no amendments other than such as would be fatal to the whole Bill would render acceptable to us.

Our view as to the proposed so-called safeguards contained in the Bill is that they would prove in practice futile and illusory. They nominally impose certain limitations upon unjust legislation, but history shows that it is the administration of the law which is really important. The Executive Government of the country will be in the hands of a political party permanently in power, who will sooner or later resent and disregard such legislative provisions, in which event they could only be made effective by the interposition of the armed forces of the Crown. Though nominally subordinate, the Irish Parliament will prove—unless in such extreme cases as would involve civil war to be practically as independent as that of any of our colonies. Colonial experience, as attested by Sir Edward Grey, shows how remote and impracticable any interference by Imperial Government must always be.

With regard to our apprehensions of the probable effect of the proposed legislation upon commerce and industry, we are satisfied that the powers of taxation and of interference with the conditions of employment to be conferred upon an Irish Parliament will place the manufactures and commerce of the country at the mercy of a permanent majority, having little knowledge or experience of the business likely to be affected, and in which they are not largely directly interested.

Commercial confidence and business credit cannot co-exist with a distrusted public exchequer. The transfer of public money collected in Ireland to meet the transferred services is admittedly barely sufficient for that purpose. Consequently, the Irish Government will have no security to offer for its Consols; it will only be able to borrow (if at all) at disproportionately high rates of interest. The disastrous effect of such a state of things upon the commercial credit of Ireland is only too evident.

Currency and Banking have not—while Legal tender and Coinage have—been included in the matters which are removed from the control of the Irish Parliament under Section 2 of the Bill, and it is intolerable that the present monetary systems, which have stood the test of 70 years' experience to the great benefit of the entire community, should be subject to interference by politicians inexperienced

in financial matters and liable to have recourse to expedients which might prove ruinous to the credit of the country.

The power to interfere with Excise duties, and to some extent with Customs, apparently involving the establishment of Customs' barriers between Great Britain and Ireland, will gravely hamper the free interchange of commodities. Such a provision seems inconsistent in a measure which professes to be the first step in creating a federal constitution for the United Kingdom—a constitution in which freedom of trade between the federated units has by universal experience been found necessary.

Those engaged in the Linen trade apprehend the possibility of the imposition of special taxation affecting their manufactures, and of an import duty on foreign flax, in the interest of the Irish grower, which would be fatal to the whole trade. Again, restrictions on the conditions of employment might not improbably be imposed which would put Irish manufacturers at a great disadvantage in competition with other manufacturers in Great Britain.

The segregation of the Irish Post Office, contrary to the policy of the consolidation of postal services elsewhere adopted throughout the Empire, and in other countries, will cut Ireland off from the obvious advantage of a common postal and telegraph service for the United Kingdom. This may also constitute a serious danger in time of war. The only apparent object to be served by this provision seems to be to confer an additional sphere of patronage on a section of Irish politicians.

Notwithstanding Clause 2, Sub-Section 7, and Clause 4, Sub-Section 6, of the Bill, those interested in Shipping are seriously apprehensive that it would still be within the power of the proposed Irish Government to institute vexatious regulations in minor matters which would place vessels registered in Ireland under serious disadvantage as compared with British tonnage.

The progress of the system of Land Purchase, to the operation of which the rapidly increasing prosperity of the country is mainly due, if interrupted as it has been by the Land Act of 1909, will be certainly destroyed. While Land Purchase is to be a reserved service under Home Rule, the relations of landlord and tenant as regards tenure and rent are not withdrawn from the scope of the authority of the Irish Parliament. The confusion and discontent caused by this division of authority will inflict signal disaster upon Irish agriculture. The action of leading members of the Irish Nationalist party towards both land purchase and the beneficent economic work of Sir Horace Plunkett gives

ground for serious apprehension in this respect.

We fear that all public appointments will be exclusively made in the interests of the extremists of the Nationalist party, and to that end the knowledge of Gaelic will probably be made an essential qualification.

We have endeavoured to comply with your request made to our Deputation by indicating some of the main grounds on which we protest against your Bill, and for any other points we beg respectfully to refer you to the Report of the Chamber.

The kernel of your reply to our deputation was—" Something must be done." In stating this conclusion you told us that " three-fourths of the members of Parliament for Ireland come here (to Westminster) election after election and tell us in the Imperial Parliament that they cannot go on under the existing system."

To this we reply :—

(1)—That because of the cruel tyranny exercised upon Nationalist voters by secret societies, etc., the present members for Nationalist constituencies do not represent the real opinions of large numbers of their electors, who, we know, are reconciled to the existing system because of its generous Irish legislation ;

(2)—That the representatives in Imperial Parliament of one-third of the people of Ireland, and these its most progressive and enterprising portion, go over, election after election, and tell you in the Imperial Parliament that they refuse to be cast out from their heritage in the existing system ; and

(3)—As we have fully set forth in our statement, the " something that has got to be done " is not the breaking-up of the British Constitution at the bidding of one-fifteenth of the population of the United Kingdom, and by the instrumentality of what is practically a Single Chamber Parliament, but the steady perseverance in the ameliorative legislation which, in twenty-five years, has brought Ireland to a level of prosperity greater than ever experienced in her long history, and has indisputably proved the competence of Imperial Parliament to fully provide for all her needs.

We would remind you that the Nationalist party has never

shown what material good Home Rule will do the Irish people, and they have propounded no programme of wise, social, or economic reform. If they present such a programme it will nowhere be more cordially welcomed than by ourselves, and we will gladly co-operate with them to have it carried into effect by Imperial Legislation.

You told us that "there is an unbridgable gulf between your policy and ours." If so, it is of your creation. The statesmanship which frames a policy fraught with ruin to the best interests of the most prosperous portion of Ireland can only be met on the part of self-respecting men by uncompromising opposition.

On behalf of the Deputation,

I am, Sir,

Your obedient Servant,

(Signed) ROBERT A. MITCHELL, *President.*

CHAMBER OF COMMERCE, BELFAST,
7th August, 1912.

APPENDIX IV.

Government of Ireland Bill and National Education.

THE COMMISSIONERS' OFFICIAL STATEMENT. SOME FINANCIAL PROBLEMS.

TO THE EDITOR OF THE TIMES.

SIR,—I am directed by the Commissioners of National Education to forward you the enclosed statement which they have prepared with reference to the provisions of the Government of Ireland Bill in relation to the system of National Education, and I am to request that you will be so good as to insert it in your next issue.

I am, Sir,

Your obedient Servant,

W. J. DILWORTH, *Secretary*.

OFFICE OF NATIONAL EDUCATION,
DUBLIN, *August 26th, 1912*.

THE STATEMENT.

The Commissioners of National Education not having been successful in obtaining an interview, which they sought, with either the Prime Minister or the Chief Secretary for Ireland, on the question of the provision for primary education in the Government of Ireland Bill, desire to place before the public in the columns of the Press their observations on a subject which has long caused them the greatest anxiety and concern—viz., the probable and possible consequences to the administration of their system of education

that will arise if the Bill at present before Parliament for the Government of Ireland should pass into law without ample provision being made for the needs of national education. They have had prepared careful and exhaustive statements of their financial position, both prospectively and retrospectively, and they have endeavoured to assess the amount of the increased provision for the needs of their system that may reasonably be anticipated in the immediate future. Their consideration of this subject compels them to the opinion that the maintenance in its present position, not to speak of the development, of National Education in Ireland will be gravely imperilled unless some satisfactory amendment be made in the financial proposals of the Bill.

Under present conditions of administration the funds required for national education have been voted by Parliament on the basis of estimates annually submitted by the Commissioners to the Treasury. The estimates are framed with careful regard to the requirements of the service and with the knowledge that the sums, however large, which are needed to satisfy the amounts of the grants that the Commissioners are empowered to make by Treasury sanction to the schools, will be furnished irrespective of the state of the national finances. However dissatisfied the Commissioners may feel at the refusals of the Treasury to provide funds for educational reforms which they believe to be urgently required, they have never had any difficulty in obtaining sufficient money to meet the payment of legitimate charges already sanctioned under their rules. Now these charges have been an increasing quantity for many years, as will be clear from the following return of the amounts paid in the emoluments of teachers during the past four years, during which no new kind of grants of any considerable magnitude has been created. The amounts include the salaries and capitation grants paid to all classes of teachers, besides fees for extra subjects :—

Year.	£
1908–09	1,360,440
1909–10	1,398,889
1910–11	1,411,930
1911–12	1,429,590

These figures demonstrate that an automatic increase has been going on under the head of teachers' salaries in the past four years amounting on an average to about £23,000 a year; of this sum increases in grade salary due to increments and promotions account for nearly £15,000 annually.

The need of providing for this automatic increase under the existing rules is obvious, and is likely to continue for a considerable number of years. The increasing payments must, of course, eventually approximate to the *maximum* possible under the present conditions ; but in the interval there is ample scope for large additions to the estimates even if the existing rules are unchanged. For example, there is every reason to expect that with the gradual displacement of old untrained teachers the number of second-grade teachers will greatly increase ; there are over 2,500 schools with a sufficient average attendance for second-grade teachers, which are at present in the care of teachers in the third grade, and there are over 1,800 vacant places in the second grade which might be filled by teachers of these schools. There are, moreover, not a few assistant teachers who may be considered to deserve promotion to the second grade, although the Commissioners' powers of awarding promotion to assistants can only be sparingly applied.

But the chief element to be considered is the increase that may reasonably be expected in the average attendance of pupils at the schools. The decrease in population is showing indications of cessation, while the improvement in regularity of attendance is proceeding slowly but surely, and is accelerated by the opening of new school buildings and by the improvement in the quality and efficiency of the teaching staffs. Increasing prosperity in the country and the greater interest shown in education are factors silently operating to raise the standard of school attendance. The percentage of average attendance, which for the year 1911 was 72.5, might reasonably, through the operation of a few simple amendments in the compulsory attendance clauses of the Irish Education Act of 1892, be expected to rise ultimately to 80 or 85, and a rise of 10 per cent. means an actual increase of 70,000 in the number of pupils enrolled. An increase of even half this extent would cause a great automatic advance in the cost of education, a large proportion of the payments being directly connected with average attendance and the rest being indirectly but powerfully affected by that element.

When these considerations are taken into account side by side with the experience of past years, the Commissioners feel warranted in assuming that their requirements for automatic increases to which they are firmly committed in the eyes of managers, teachers, and the public must amount on the most moderate estimate to an average of £17,000 per annum for the next six years, so that on this basis provision for gradual increases amounting to an additional annual expenditure of £100,000 at the end of that period would be

required for the ordinary needs of the system of national education.

To this amount a further annual sum of about £90,000 should be added if the pupils of the Christian Brothers' schools, and other organisations not at present connected with the Board, are to get the same financial support from the new Irish Government as the ordinary national schools at present receive.

Under the financial arrangements of the Government of Ireland Bill the Commissioners find that national education is a "transferred service," and that a fixed annual sum is to be paid over to the new Irish Consolidated Fund on account of it, the amount to be determined by its cost in the year in which the Bill passes (see Clause 14, section 2). But, as has been shown above, the cost of Irish education is not fixed; it is expanding, and must continue to expand if the present scale of salaries of teachers is to be maintained. If such a fixed sum is alone provided, the present scale of teachers' salaries must be reduced, or the scale must be maintained out of economies in other "transferred services," or the necessary additional grants must be provided out of the products of new Irish taxation. The prospect, therefore, of a struggle for the necessary funds in which the educational authorities will find themselves pitted against the representatives of other Irish departments on the one hand, or the Irish taxpayer on the other, is not a reassuring one, and is not calculated to make smooth the path of educational reform.

So far the Commissioners have dealt only with the prospective financial position in respect of the maintenance of the existing scale of grants, but there remains the important question of the educational reforms which the Commissioners have been urging for many years past, as set forth in their annual reports. It is obvious that the chances of a favourable consideration of these reforms will become very slight when expansion is practically impossible beyond the fixed limits of the "transferred sum." To satisfy their further requirements large sums are needed. The Commissioners' proposals, briefly indicated, and their cost are as follows:—

(1) The relaxation of the standard numbers for first-grade teachers—a reform indispensable to remove an unjust bar to the advancement of many of their most deserving teachers—is estimated to cost £1,000 in the first year, which would ultimately increase to a figure approaching £20,000 per annum.

(2) The improved salaries for the principals of large and

important schools would require an annual sum of £12,000, which would not be susceptible of much variation in future years.

(3) The scheme for higher grade schools and advanced departments in ordinary national schools would perhaps cost £2,000 in the first year, and if the system developed to a satisfactory extent, as in Scotland, the ultimate cost might not be less than £50,000 per annum.

(4) The cost of the proposals for the encouragement of school-gardens might ultimately amount to £9,000 or £10,000 a year.

(5) A satisfactory scheme of medical and dental inspection and treatment of school children, half of which would be defrayed locally, would cost the national funds about £30,000. A sum of £7,500 has been voted for this service in the current year, but owing to the conditions laid down a practical scheme cannot be devised.

(6) The monthly payment of teachers' salaries involves an initial charge of about £290,000 non-recurring expenditure, and an annual increase of £5,000 a year.

(7) The improvement in the salaries of junior assistant teachers would cost about £40,000 per annum.

(8) To deal with all cases where new and improved school-houses are immediately required a capital sum of £640,000 is needed over and above what appears in the Vote for the current financial year. After the expenditure of this sum the yearly grant would assume a normal figure.

It may thus be seen from the foregoing statement that:—

(1) Automatic increases in the existing payments to teachers will necessitate an increase in the Vote for the expenses of primary education in Ireland, as compared with that for the current year, of £50,000 in the financial year 1915–16, and of £100,000 in the year 1918–19.

(2) The ultimate cost of educational reforms which are urgently required and of other developments of the national system which may arise, would be, approximately, £250,000.

(3) Non-recurring charges connected with the monthly payments of teachers' salaries and for the building and improvement of national school-houses would amount to £930,000.

Such briefly is a rough estimate of the Commissioners' requirements. How far and from what fund they will be financed under the Government of Ireland Bill they have no means of knowing. It is their bounden duty, as guardians and trustees of elementary education in this country, to lay their reasoned views on the subject before the public.

Revenue and Expenditure

(ENGLAND, SCOTLAND, AND IRELAND).

RETURN "showing, for the year ended the 31st day of March, 1912: (1) the Amount contributed by *England*, *Scotland*, and *Ireland*, respectively, to the REVENUE collected by Imperial Officers; (2) the EXPENDITURE on English, Scottish, and Irish Services met out of such REVENUE; and (3) the Balances of REVENUE contributed by *England*, *Scotland*, and *Ireland*, respectively, which are available for Imperial EXPENDITURE (in continuation of Parliamentary Paper No. 220 of Session 1911)."

Treasury Chambers, 1 July 1912. C. F. G. MASTERMAN.

PART I.—REVENUE, 1911-12.

	REVENUE (Net Receipts).									
	As Collected.					As Contributed.				
	In England.	In Scotland.	In Ireland.	From other Sources.	Total.	By England.	By Scotland.	By Ireland.	From other Sources.	Total.
	£	£	£	£	£	£	£	£	£	£
*Customs	27,937,000	2,616,000	3,013,000	...	33,596,000	26,926,000	3,463,000	3,207,000	...	33,596,000
*Excise	23,745,000	8,837,000	5,668,000	...	38,250,000	29,738,000	5,164,000	3,318,000	...	38,250,000
Estate, &c., Duties	21,514,000	2,702,000	936,000	...	25,182,000	21,251,000	2,684,000	936,000	311 000	25,182,000
Stamps	8,634,000	604,000	326,000	...	9,564,000	8,530,000	614,000	353,000	37,000	9,564,000
Land Tax	716,000	32,000	...	...	748,000	716,000	32,000	...	...	748,000
House Duty	1,980,000	130,000	...	...	2,110,000	1,980,000	130,000	...	...	2,110,000
Income Tax	39,756,000	3,372,000	1,206,000	...	44,334,000	38,421,000	3,949,000	1,504,000	460,000	44,334,000
Land Value Duties	419,000	74,000	1,000	...	494,000	419,000	74,000	1,000	...	494,000
Total Revenue from Taxes £	124,731,000	18,397,000	11,150,000	...	154,278,000	127,981,000	16,140,000	9,349,000	808,000	154,278,000
*Postal Service	16,821,000	1,808,000	947,000	...	19,576,000	16,821,000	1,808,000	947,000	...	19,576,000
Telegraph Service	2,618,000	286,500	197,500	...	3,102,000	2,618,000	286,500	197,500	...	3,102,000
Telephone Service	2,558,500	313,000	62,000	...	2,933,500	2,558,500	313,000	62,000	...	2,933,500
Crown Lands	484,500	22,500	22,500	...	529,500	484,500	22,500	22,500	...	529,500
Receipts from Suez Canal Shares and Sundry Loans ...	...	...	...	1,281,500	1,281,500	...	...	...	1,281,500	1,281,500
Miscellaneous	837,500	73,000	110,000	1,527,500	2,548,000	837,500	73,000	110,000	1,527,500	2,548,000
Total Non-Tax Revenue £	23,319,500	2,503,000	1,339,000	2,809,000	29,970,500	23,319,500	2,503,000	1,339,000	2,809,000	29,970,500
Aggregate Revenue £	148,050,500	20,900,000	12,489,000	2,809,000	184,218,500	151,300,500	18,643,000	10,688,000	3,617,000	184,218,500
Per cent.	*80·35*	*11·34*	*6·78*	*1·53*	*100·00*	*82·12*	*10·12*	*5·80*	*1·96*	*100·00*

* *See* note on page 319.

DETAILS of REVENUE Contributed by each Division of the United Kingdom and from other Sources in the Year 1911–12.

—	REVENE (Net Receipt)				REVENUE (Net Receipt)					REMARKS
	AS COLLECTED				AS ADJUSTED TO GIVE TRUE CONTRIBUTION					
	In England	In Scotland	In Ireland	TOTAL	By England	By Scotland	By Ireland	From other Sources	TOTAL	
CUSTOMS—	£	£	£	£	£	£	£	£	£	
Cocoa	368,000	11,000	2,000	381,000	304,000	40,000	37,000	—	381,000	By population (estimated) proportions
Chicory & Coffee	203,000	17,000	2,000	222,000	195,000	15,000	12,000	—	222,000	Based on quantities interchanged in 1890-91, as ascertained from Railway, &c., Returns. *See* Parliamentary Paper, 329, 1891, page 31
Dried Fruits ...	441,000	24,000	10,000	475,000	379,000	50,000	46,000	—	475,000	By population (estimated) proportions
Foreign and Colonial Spirits	3,376,000	482,000	358,000	4,216,000	3,416,000	454,000	346,000	—	4,216,000	Based on quantities of spirits retained for consumption in each Kingdom.
Motor Spirit ...	574,000	26,000	8,000	608,000	549,000	39,000	20,000	—	608,000	Based on estimated consumption.
Sugar	2,404,000	545,000	110,000	3,059,000	2,453,000	323,000	283,000	—	3,059,000	Based on quantities interchanged between Great Britain and Ireland in 1903-4. By population (estimated) proportions as between England and Scotland.
Tea	5,672,000	162,000	325,000	6,159,000	4,927,000	649,000	583,000	—	6,159,000	
Tobacco ...	13,888,000	1,319,000	2,135,000	17,342,000	13,773,000	1,770,000	1,799,000	—	17,342,000	Based on quantities interchanged between Great Britain and Ireland in 1910-11. Divided between England and Scotland on the basis of interchanges ascertained for 1903-4.
Wine	969,000	59,000	60,000	1,088,000	893,000	118,000	77,000	—	1,088,000	Based on quantities interchanged between Great Britain and Ireland in 1903-4. By population (estimated) proportions as between England and Scotland
Other Articles ...	42,000	1,000	3,000	46,000	37,000	5,000	4,000	—	46,000	By population (estimated) proportions
TOTAL CUSTOMS, £	27,937,000	2,616,000	3,013,000	33,596,000	26,926,000	3,463,000	3,207,000	—	33,596,000	
Per cent. ...	*83·15*	*7·88*	*8·97*	*100·00*	*80·15*	*10·31*	*9·54*	—	*100·00*	

DETAILS of REVENUE Contributed by each Division of the United Kingdom and from other Sources in the Year 1911–12.—*Continued.*

—	REVENUE (Net Receipts) As Collected: In England	In Scotland	In Ireland	Total	REVENUE (Net Receipts) As Adjusted to give True Contribution: By England	By Scotland	By Ireland	From other Sources	Total	REMARKS
EXCISE.	£	£	£	£	£	£	£	£	£	
Spirits	7,093,000	7,581,000	3,837,000	18,511,000	12,178,000	4,041,000	1,992,000	—	18,511,000	Based on quantities of spirits retained for consumption in each kingdom.
Beer	11,146,000	655,000	1,527,000	13,328,000	11,771,000	522,000	1,035,000	—	13,328,000	Based on quantities interchanged between Great Britain and Ireland in 1910-11 Divided between England and Scotland on the basis of interchanges ascertained in 1903-4.
Glucose and Saccharin	65,000	3,000	—	68,000	55,000	7,000	6,000	—	68,000	Divided in the same proportion as sugar (Customs).
Licences	4,706,000	551,000	296,000	5,556,000	4,706,000	554,000	296,000	—	5,556,000	Revenue as collected.
Club Duty ...	52,000	2,000	1,000	55,000	52,000	2,000	1,000	—	55,000	
Monopoly Values	28,000	—	—	28,000	28,000	—	—	—	28,000	
Railway Duty ...	291,000	24,000	—	315,000	291,000	24,000	—	—	315,000	
Motor Spirit ...	1,000	15,000	—	16,000	14,000	1,000	1,000	—	16,000	Based on estimated consumption.
Patent Medicine Labels and Playing Cards	357,000	3,000	—	360,000	337,000	13,000	10,000	—	360,000	Medicine labels adjusted as estimated in 1906.
Other items ...	6,000	—	7,000	13,000	6,000	—	7,000	—	13,000	Revenue as collected.
TOTAL EXCISE, £	23,745,000	8,837,000	5,668,000	38,250,000	29,738,000	5,164,000	3,348,000	—	38,250,000	... ... TOTAL EXCISE.
Per cent. ...	*62·08*	*23·10*	*14·82*	*100·00*	*77·75*	*13·50*	*8·75*	—	*100·00*	
ESTATE, &c. DUTIES										
Estate Duty (1894)	17,149,000	2,046,000	665,000	19,860,000	16,857,000	2,028,000	665,000	310,000	19,860,000	Revenue as collected, but with allowance made for duty on property of persons dying domiciled outside the United Kingdom.
Probate Duty ...	31,000	5,000	2,000	38,000	30,000	5,000	2,000	1,000	38,000	
Estate Duty (Temporary)	5,000	1,000	—	6,000						
Legacy Duty ...	3,713,000	541,000	198,000	4,452,000	4,364,000	651,000	269,000	—	5,284,000	Revenue as collected.
Succession Duty ...	599,000	107,000	71,000	777,000						
Corporation Duty	47,000	2,000	—	49,000						
TOTAL ESTATE, &c., DUTIES £	21,544,000	2,702,000	936,000	25,182,000	21,251,000	2,684,000	936,000	311,000	25,182,000	... TOTAL ESTATE, &c., DUTIES.
Per cent ...	*85·55*	*10·73*	*3·72*	*100·00*	*84·39*	*10·66*	*3·72*	*1·23*	*100·00*	

STAMPS (exclusive of Fee and Patent Stamps).	8,634,000	604,000	326,000	9,564,000	8,530,000	644,000	353,000	37,000	9,564,000	... ... STAMPS. A slight correction has been made to meet the case of transactions effected in London, but relating to Scotland and Ireland; 2·4 per cent. of one-fourth of total produce being deducted from England, and 1.5 per cent. added to Scotland, and .9 per cent. added to Ireland. A further adjustment is made on account of the Duty on Insurance Policies, &c., paid in England, but really contributed by Scotland and Ireland. A correction has also been made in respect of Taxation levied on property situated in the United Kingdom, the proprietors of which are domiciled abroad.
Per cent. ...	*90·28*	*6·31*	*3·41*	*100·00*	*89·19*	*6·73*	*3·69*	*·39*	*100·00*	
LAND TAX ...	716,000	32,000	...	748,000	716,000	32,000	...	...	748,000	Revenue as collected.
Per cent. ...	*95·72*	*4·28*	...	*100·00*	*95·72*	*4·28*	...	...	*100·00*	
HOUSE DUTY ...	1,980,000	130,000	...	2,110,000	1,980,000	130,000	...	...	2,110,000	
Per cent. ...	*93·84*	*6·16*	...	*100·00*	*93·84*	*6·16*	...	...	*100·00*	
INCOME TAX (Approximate Distribution of Receipt):										
Schedule A. Lands and Houses ...	8,854,000	924,000	381,000	10,159,000	8,854,000	924,000	381,000	...	10,159,000	... ... Ditto.
Schedule B. Occupation of Land ...	117,000	30,000	30,000	207,000	117,000	30,000	30,000	...	207,000	
Schedule C. Government Stocks, etc.	2,792,000	..	29,000	2,821,000						Adjusted on basis of information derived from the statistics of estate duty for the ten years ended 1910-11. An allowance has also been made for duty on property of persons domiciled abroad.
Schedule D. Public Companies, Foreign Dividend, Coupons, &c.	15,214,000	1,442,000	438,000	17,094,000	17,230,000	1,725,000	646,000	314,000	19,915,000	
£	18,006,000	1,442,000	467,000	19,915,000						

V

DETAILS of REVENUE Contributed by each Division of the United Kingdom and from other Sources in the Year 1911–12.—*Continued.*

—	REVENUE (Net Receipts) As Collected: In England	In Scotland	In Ireland	TOTAL	REVENUE (Net Receipts) As Adjusted to give True Contribution: By England	By Scotland	By Ireland	From other Sources	TOTAL	REMARKS
Schedule D—Trades and Professions...	7,159,000	777,000	216,000	8,152,000	7,096,000	800,000	231,000	25,000	8,152,000	Ditto to extent of one-fifth of total produce.
Schedule E.—Public Offices, &c. Official Salaries	604,000	12,000	41,000	657,000	2,451,000	199,000	112,000	121,000	2,883,000	Revenue as collected, but with an allowance for duty on salaries of Imperial Officers.
Schedule E.—Non-Official Salaries...	1,968,000	187,000	71,000	2,226,000						
£	2,572,000	199,000	112,000	2,883,000						
Super Tax £	3,018,000	...	...	3,018,000	2,643,000	271,000	104,000	...	3,018,000	Adjusted on basis of proportion of Income Tax contributed by England, Scotland and Ireland respectively during the year 1911-12.
TOTAL INCOME TAX	39,756,000	3,372,000	1,206,000	44,334,000	38,421,000	3,949,000	1,504,000	460,000	44,334,000	... ... TOTAL INCOME TAX.
Per cent. ...	*89·67*	*7·61*	*2·72*	*100·00*	*86·66*	*8·91*	*3·39*	*1·04*	*100·00*	... ... *Per cent.*
LAND VALUE DUTIES:										
Increment Value Duty	6,000	...	...	6,000	419,000	74,000	1,000	...	494,000	Revenue as collected.
Undeveloped Land Duty	28,000	1,000	...	29,000						
Reversion Duty ...	23,000	...	...	23,000						
Mineral Rights Duty	362,000	73,000	1,000	436,000						
Total Land Value Duties £	419,000	74,000	1,000	494,000	419,000	74,000	1,000	...	494,000	... ... Total Land Value Duties.
Per cent. ...	*84·82*	*14·98*	*·20*	*100·00*	*84·82*	*14·98*	*·20*	...	*100·00*	... ... *Per cent.*

DETAILS OF MISCELLANEOUS REVENUE, 1911–12.

	Derived from England	Derived from Scotland	Derived from Ireland	Derived from other Sources	TOTAL
	£	£	£	£	£
SMALL BRANCHES OF THE HEREDITARY REVENUE	15,500	...	1,000	1,500	18,000
BANK OF ENGLAND	187,500	...	...	...	187,500
BANKRUPTCY ACT, 1883	22,000	...	...	...	22,000
COMPANIES (CONSOLIDATION) ACT, 1908	9,500	...	..	...	9,500
TRUSTEE SAVINGS BANKS	..	...	...	12,500	12,500
EXPENSES OF ADMINISTRATION OF LOCAL LOANS	5,000	...	29,000	2,000	36,000
MINT	...	...	..	1,115,000	1,115,000
RECEIPTS BY CIVIL DEPARTMENTS:					
Board of Trade	..	...	...	2,500	2,500
Civil Service Commission... ...	...	...	...	500	500
Colonial Office	...	...	...	1,500	1,500
County Courts	5,000	...	...	...	5,000
Fishery Board, Scotland	...	5,500	...	...	5,500
Foreign Office	...	...	...	1,000	1,000
Friendly Societies Registry ...	1,500	...	...	...	1,500
Old Age Pensions	1,500	500	500	...	2,500
Police Courts, Chatham and Sheerness	500	...	...	...	500
Public Trustee	5,000	...	...	...	5,000
Receiver of the Hereditary Revenue	1,000	...	...	...	1,000
Treasury	3,500	...	...	13,000	16,500
Office of Works	2,000	...	...	...	2,000
Ordnance Factories	...	...	...	31,000	31,000
Savings and Over-issues	12,000	...	...	6,500	18,500
Isle of Man	...	...	...	10,000	10,000
Sundry small items	1,000	1,000	500	500	3,000
	272,500	7,000	31,000	1,197,500	1,508,000
Add— *Fee and Patent Stamps, as detailed on page 310	565,000	66,000	79,000	330,000	1,010,000
TOTAL MISCELLANEOUS REVENUE - £	837,500	73,000	110,000	1,527,500	2,548,000
Per cent., Total	*32·87*	*2·86*	*4·32*	*59·95*	*100·00*
Per cent., England, Scotland, and Ireland	*82·07*	*7·15*	*10·78*	...	*100·00*

* Actual Receipts in the year.

Details of Miscellaneous Revenue, 1911–12—*Continued.*

	Derived from England	Derived from Scotland	Derived from Ireland	Derived from other Sources	TOTAL
	£	£	£	£	£
*FEE AND PATENT STAMPS:					
Bankruptcy Court, Ireland ...	...	...	2,000	...	2,000
Civil Service Commission... ...	...	...	...	21,000	21,000
Companies Registration	86,000	5,000	2,000	...	93,000
County Courts, Ireland	...	...	17,000	...	17,000
District Audit	59,000	...	...	...	59,000
Edinburgh Gazette	...	3,000	...	...	3,000
Judgments Registry Fund ...	...	...	1,500	...	1,500
Judicature	361,000	...	34,000	...	395,000
Land Commission, Ireland ...	...	...	2,000	...	2,000
Land Registry	53,000	...	6,000	...	59,000
Law Courts, Scotland	...	15,000	...	...	15,000
London Gazette	5,000	...	...	...	5,000
Lunacy Fee Fund...	...	...	500	...	500
Public Record	500	...	2,000	...	2,500
Railway Commission	500	...	...	...	500
Register House, Scotland... ...	...	43,000	...	...	43,000
Registration of Deeds	...	...	12,000	...	12,000
Registration of Money Lenders ...	...	...	...	3,000	3,000
Patents, Designs, and Trade Marks ...	...	...	...	306,000	306,000
TOTAL FEE AND PATENT STAMPS - £	565,000	66,000	79,000	330,000	1,040,000

* Actual receipts in the year.

PART II.—EXPENDITURE.

(Exchequer Issues), 1911–12.

	On English Services	On Scottish Services	On Irish Services	On General Services	Total
	£	£	£	£	£
National Debt Charges ...	...	...	...	21,500,000	21,500,000
Naval and Military Charges:					
(*a*) Army	...	...	...	27,864,000	27,864,000
(*b*) Navy	...	...	...	42,858,000	42,858,000
Civil Government Charges:					
(*a*) On Consolidated Fund:					
(1) Civil List and Miscellaneous Charges ...	354,000	149,500	135,500	839,000	1,478,000
(2) Development and Road Improvement Funds...	...	...	...	1,710,000	1,710,000
(3) Payment to Local Taxation Accounts, etc. ...	6,995,000	1,174,000	1,467,000	...	9,636,000
(*b*) Voted	28,651,500	4,455,000	8,197,000	4,697,500	46,001,000
Total Civil Government Charges ... £	36,000,500	5,778,500	9,799,500	7,246,500	58,825,000
Customs and Excise and Inland Revenue	3,189,000	493,000	269,000	...	3,951,000
Post Offices Services	16,439,000	2,040,000	1,465,000	603,000	20,547,000
Total Expenditure £	55,628,500	8,311,500	11,533,500	103,071,500	178,545,000
	£75,473,500				
Per cent., England, Scotland and Ireland	*73·71*	*11·01*	*15·28*	...	*100·00*
Per cent., Total	*31·16*	*4·65*	*6·46*	*57·73*	*100·00*

DETAILS OF NAVAL AND MILITARY CHARGES, 1911–12.

——	English	Scottish	Irish	General	TOTAL
	£	£		£	£
Army Services	—	—	—	27,648,900	27,864,000
Ordnance Factories	—	—	—	100	
Indian Army Pension Deficiency Fund Annuity	—	—	—	215,000	
Navy Services	—	—	—	42,858,000	42,858,000
TOTAL NAVAL AND MILITARY CHARGES ... ... £	—	—	—	70,722,000	70,722,000

DETAILS OF CIVIL GOVERNMENT CHARGES, 1911–12.

(*a*) ON CONSOLIDATED FUND.

(1) Civil List and Miscellaneous Charges.

——	English	Scottish	Irish	General	TOTAL
	£	£	£	£	£
CIVIL LIST	—	—	—	470,000	470,000
ANNUITIES AND PENSIONS:					
Annuities to the Royal Family ...	—	—	—	146,000	146,000
Pensions for Naval and Military Services	—	—	—	19,000	19,000
Pensions for Political and Civil Services	—	—	—	12,000	12,000
Pensions for Judicial Services ...	53,500	16,000	12,000	—	81,500
Compensations, Courts of Justice	3,500	—	—	—	3,500
Retired Allowances to Members of the Household of Her late Majesty Queen Victoria	—	—	—	13,000	13,000
Do. do. His late Majesty King Edward	—	—	—	17,000	17,000
Miscellaneous Pensions	—	—	—	500	500
Civil List Pensions	—	—	—	25,000	25,000
TOTAL, ANNUITIES AND PENSIONS, £	57,000	16,000	12,000	232,500	317,500
SALARIES AND ALLOWANCES:					
Speaker, House of Commons ...	—	—	—	5,000	5,000
Exchequer and Audit Department	—	—	—	3,500	3,500
Clergy and Schools	—	18,000	—	500	18,500
Inspectors of Anatomy	500	500	500	—	1,500
Copyright Compensations	500	—	500	—	1,000
Salaries formerly on the Hereditary Revenues of Scotland	—	6,000	—	—	6,000
Land Revenue Allowances ...	1,000	—	—	—	1,000
Lord Lieutenant, Ireland	—	—	20,000	—	20,000
Miscellaneous	—	—	500	—	500
TOTAL SALARIES AND ALLOWANCES £	2,000	24,500	21,500	9,000	57,000
COURTS OF JUSTICE:					
Salaries	289,000	107,000	102,000	25,000	523,000
MISCELLANEOUS SERVICES:					
Interest on Exchequer Bonds issued under the Cunard Agreement (Money) Act, 1904	—	—	—	65,500	65,500
Annuity under the Treaty of Union	—	2,000	—	—	2,000
Greenwich Hospital	—	—	—	4,000	4,000
Duchy of Lancaster (Wine Compensation)	—	—	—	1,000	1,000
Duchy of Cornwall, &c. (Tin Compensation)	—	—	—	16,000	16,000
Public Offices Site Annuity ...	—	—	—	16,000	16,000
Commutation Annuity	6,000	—	—	—	6,000
TOTAL MISCELLANEOUS SERVICES £	6,000	2,000	—	102,500	110,500
TOTAL CIVIL LIST AND MISCELLANEOUS CHARGES £	354,000	149,500	135,500	839,000	1,478,000

Details of Civil Government Charges, 1911-12—*Continued.*
(*a*) On Consolidated Fund—*Continued.*

(2) Payments to Local Taxation Account, etc.

——	English	Scottish	Irish	General	TOTAL
	£	£	£	£	£
Exchequer Contribution to Ireland under the Land Purchase (Ireland) Act, 1891.	—	—	40,000	—	40,000
Agricultural Grant under the Local Taxation Account (Scotland) Act, 1898.	—	98,000	—	—	98,000
Grants under the Local Government (Ireland) Act, 1898:					
(1) Agricultural Grant	—	—	728,000	—	728,000
(2) In lieu of Local Grants	—	—	79,000	—	79,000
(3) Licences	—	—	213,000	—	213,000
Cost of Collection of Licences transferred to County Councils in England and Wales.	10,000	—	—	—	10,000
Cost of Collection of Motor Car Licences 1910-11.	—	—	1,000	—	1,000
	10,000	98,000	1,061,000	—	1,199,000
Payments under Section 17 of the Finance Act, 1907, Section 88 of the Finance (1909-10) Act, 1910, and Sections 17 and 18 of the Revenue Act, 1911, in respect of the proceeds of the following duties:—					
CUSTOMS AND EXCISE:—					
Beer and Spirit Duties	1,107,500	152,000	124,500	—	1,384,000
Licences	2,081,000	406,000	—	—	2,487,000
TOTAL CUSTOMS AND EXCISE ...	3,188,500	558,000	124,500	—	3,871,000
ESTATE, &c., DUTIES:					
(1) In relief of Rates generally ...	2,291,000	335,500	281,500	—	2,908,000
(2) In relief of Rates on Tithe Rent-charges attached to Benefices.	150,000	—	—	—	150,000
(3) Under Agricultural Rates Acts and consequential Acts	1,325,500	182,500	—	—	1,508,000
TOTAL ESTATE, &c., DUTIES ...	3,766,500	518,000	281,500	—	4,566,000
TOTAL PAYMENTS TO LOCAL TAXATION ACCOUNTS, &c. ... £	6,995,000	1,174,000	1,467,000	—	9,636,000

Details of Civil Government Charges, 1911–12—*Continued.*

(*b*) VOTED.

	English	Scottish	Irish	General	TOTAL.
	£	£	£	£	£
CLASS I.					
Royal Palaces	61,500	14,000	...	...	75,500
Osborne	4,000	...	...	7,500	11,500
Royal Parks and Pleasure Gardens ...	114,500	17,000	...	...	131,500
Houses of Parliament Buildings ...	...	...	...	51,500	51,500
Miscellaneous Legal Buildings (Great Britain)	45,500	17,500	...	...	63,000
Art and Science Buildings (Great Britain)	77,000	8,500	...	...	85,500
Diplomatic and Consular Buildings ...	...	...	...	89,000	89,000
Revenue Buildings (Great Britain) ...	580,000	54,000	...	...	634,000
Labour Exchange Buildings	92,000	15,500	...	...	107,500
Public Buildings (Great Britain) ...	429,000	44,000	1,000	208,000	682,000
Surveys of United Kingdom	99,500	17,000	67,500	2,000	186,000
Harbours under Board of Trade ...	28,000	13,000	...	...	41,000
Peterhead Harbour	...	30,500	...	...	30,500
Rates on Government Property ...	621,500	36,500	56,500	13,500	728,000
The Palace of Peace, The Hague ...	...	...	...	1,000	1,000
Public Works and Buildings in Ireland	...	...	230,500	12,000	242,500
Railways (Ireland)	...	...	57,000	...	57,000
TOTAL OF CLASS I. ... £	2,152,500	267,500	412,500	384,500	3,217,000

Details of Civil Government Charges, 1911–12—*Continued.*

	English	Scottish	Irish	General	TOTAL.
	£	£	£	£	£
CLASS II.					
House of Lords Offices	...	...	...	23,000	23,000
House of Commons	...	...	..	252,000	252,000
House of Commons Offices	...	...	...	47,000	47,000
Treasury, etc.	38,000	10,500	10,000	46,000	104,500
Home Office	210,000	19,000	7,000	...	236,000
Foreign Office	...	...	...	65,000	65,000
Colonial Office	...	...	...	57,000	57,000
Privy Council Office	10,000	...	...	...	10,000
Board of Trade, etc.	165,000	14,000	7,500	338,500	525,000
Mercantile Marine Services	...	...	...	96,500	96,500
Bankruptcy Department of the Board of Trade	...	...	...	...	...
Board of Agriculture and Fisheries ...	181,000	17,500	...	...	198,500
Charity Commission	29,500	...	...	...	29,500
Government Chemist	...	...	...	19,000	19,000
Civil Service Commission	...	...	...	44,500	44,500
Exchequer and Audit Department ...	...	...	...	62,000	62,000
Friendly Societies Registry	9,000	500	500	...	10,000
Local Government Board	275,000	...	...	...	275,000
Lunacy Commission	18,000	...	...	...	18,000
Mint	...	...	...	...	...
National Debt Office	...	...	...	11,500	11,500
Public Record Office	25,500	...	...	...	25,500
Public Works Loan Commission ...	...	...	...	...	...
Register General's Office	176,000	...	...	...	176,000
Stationery and Printing	364,000	34,500	49,500	387,000	835,000
Woods, Forests, etc., Office of	18,500	...	3,000	...	21,500
Works and Public Buildings, Office of	110,000	10,000	...	5,500	125,500
Secret Service	...	...	...	46,500	46,500
SCOTLAND					
Secretary for Scotland's Office ...	...	33,000	...	...	33,000
Fishery Board	...	23,500	...	...	23,500
Lunacy Commission	...	6,000	...	...	6,000
Register General's Office	...	34,500	...	...	34,500
Local Government Board	...	18,500	...	...	18,500
IRELAND					
Lord Lieutenant's Household	...	...	4,500	...	4,500
Chief Secretary's Office, etc	...	...	26,000	...	26,000
Department of Agriculture, etc. ...	...	...	418,000	...	418,000
Charitable Donations and Bequests Office	...	...	2,000	...	2,000
Local Government Board	...	...	149,500	...	149,500
Public Record Office	...	...	7,500	...	7,500
Public Works Office	...	...	13,000	...	13,000
Register General's Office	...	...	23,500	...	23,500
Valuation and Boundary Survey ...	...	...	40,000	...	40,000
TOTAL OF CLASS II ... £	1,629,500	221,500	791,500	1,501,000	4,143,500

Details of Civil Government Charges, 1911–12—*Continued.*

	English	Scottish	Irish	General	Total
	£	£	£	£	£
CLASS III.					
Law Charges	65,500	...	...	13,500	79,000
Miscellaneous Legal Expenses ...	36,500	...	500	13,500	50,500
Supreme Court of Judicature	330,000	...	...	...	330,000
Land Registry	30,500	...	...	...	30,500
Public Trustee	...	...	...	...	...
County Courts	...	...	...	...	...
Police (England and Wales)	106,000	...	...	...	106,000
Prisons (England and the Colonies) ...	763,000	...	...	3,500	766,500
Reformatory and Industrial Schools (Great Britain)	208,500	64,500	...	...	273,000
Broadmoor Criminal Lunatic Asylum	61,500	...	...	...	61,500
Scotland					
Law Charges and Courts of Law ...	...	83,000	...	...	83,000
Register House, Edinburgh	...	41,500	...	...	41,500
Crofters Commission	...	4,500	...	...	4,500
Prisons	...	97,000	...	...	97,000
Ireland					
Law Charges and Criminal Prosecutions	...	...	61,500	...	61,500
Supreme Court of Judicature and other Legal Departments	...	...	109,000	...	109,000
Land Commission	...	...	482,000	...	482,000
County Court Officers, etc.	...	...	107,000	...	107,000
Dublin Metropolitan Police (including Police Courts)	...	...	97,500	...	97,500
Constabulary	...	...	1,354,500	...	1,354,500
Prisons	...	...	106,000	500	106,500
Reformatory and Industrial Schools ...	...	...	109,500	...	109,500
Dundrum Criminal Lunatic Asylum ...	...	...	7,000	...	7,000
Total of Class III. ... £	1,601,500	290,500	2,437,500	31,000	4,360,500

Details of Civil Government Charges, 1911–12—*Continued.*

	English	Scottish	Irish	General	TOTAL
CLASS IV.	£	£	£	£	£
Board of Education	14,360,000	...	...	...	14,360,000
British Museum	181,500	...	...	...	181,500
National Gallery	35,500	...	...	...	35,500
National Portrait Gallery	5,500	...	...	...	5,500
Wallace Collection	6,500	...	...	...	6,500
Scientific Investigation, etc. (United Kingdom	10,000	4,500	2,500	46,500	63,500
Universities & Colleges (Great Britain), and Intermediate Education, Wales	229,000	74,000	...	...	303,000
SCOTLAND					
Public Education	...	2,346,000	...	...	2,346,000
National Galleries	...	5,500	..	...	5,500
IRELAND					
Public Education	...	...	1,647,000	...	1,647,000
Endowed School Commissioners ...	...	...	1,000	...	1,000
National Gallery	...	...	3,000	...	3,000
Universities and Colleges	...	...	25,000	...	25,000
TOTAL OF CLASS IV. ... £	14,828,000	2,430,000	1,678,500	46,500	18,983,000
CLASS V.					
Diplomatic and Consular Services ...	...	...	...	596,000	596,000
Colonial Services	...	...	...	1,325,000	1,325,000
Telegraph Subsidies and Pacific Cables	...	...	...	39,500	39,500
Cyprus (Grant in aid)	...	...	...	50,000	50,000
Treasury Chest Fund	...	...	...	42,500	42,500
TOTAL OF CLASS V. ... £	...	...	...	2,053,000	2,053,000

Details of Civil Government Charges, 1911–12—*Continued.*

	English	Scottish	Irish	General	TOTAL
	£	£	£	£	
CLASS VI.					
Superannuation and Retired Allowances	368,000	36,000	82,000	266,000	752,000
Miscellaneous Charitable and other Allowances	1,500	...	...	...	1,500
Hospitals and Charities (Ireland) ...	...	...	17,000	...	17,000
Savings Banks' and Friendly Societies' Deficiencies	...	...	...	33,000	33,000
Old Age Pensions	7,958,000	1,192,500	2,577,000	...	11,727,500
TOTAL OF CLASS VI. ... £	8,327,500	1,228,500	2,676,000	299,000	12,531,000
CLASS VII.					
Temporary Commissions	6,000	3,000	1,500	11,000	21,500
Miscellaneous Expenses	...	2,500	1,500	1,000	5,000
Repayments to the Local Loans Fund...	...	...	2,500	...	2,500
Repayments to Civil Contingencies Fund	...	...	...	3,500	3,500
Expenses under Unemployed Workmen Act, 1905	85,000	7,000	5,000	...	97,000
Ireland Development Grant	...	...	185,000	...	185,000
Government Hospitality	...	...	...	10,000	10,000
Their Majesties the King and Queen (Visit to India)	...	...	...	120,000	120,000
International Exhibitions	...	...	...	52,000	52,000
Coronation of His Majesty	...	...	...	185,000	185,000
TOTAL OF CLASS VII. ... £	91,000	12,500	195,500	382,500	681,500
Class I.	2,152,500	267,500	412,500	384,500	3,217,000
,, II.	1,629,500	221,500	791,500	1,501,000	4,143,500
,, III.	1,601,500	290,500	2,437,500	31,000	4,360,500
,, IV.	14,828,000	2,430,000	1,678,500	46,500	18,983,000
,, V.	...	...	...	2,053,000	2,053,000
,, VI.	8,327,500	1,228,500	2,676,000	299,000	12,531,000
,, VII.	91,000	12,500	195,500	382,500	681,500
,, VIII. (Insurance Commissions) ...	21,500	4,500	5,500	...	31,500
TOTAL CIVIL GOVERNMENT CHARGES VOTED ... £	28,651,500	4,455,000	8,197,000	4,697,500	46,001,000
CUSTOMS AND EXCISE	1,721,000	367,000	209,000	..	2,297,000
INLAND REVENUE	1,468,000	126,000	60,000	..	1,654,000
TOTAL CUSTOMS AND EXCISE, AND INLAND REVENUE ... £	3,189,000	493,000	269,000	..	3,951,000
POST OFFICE SERVICES ... £	16,439,000	2,010,000	1,465,000	603,000	20,547,000
TOTAL REVENUE DEPARTMENTS £	19,628,000	2,533,000	1,734,000	603,000	24,498,000

PART III.—CONTRIBUTION TO IMPERIAL SERVICES, 1911–12.

This Table shows the Net Balance of Revenue contributed by England, Scotland, and Ireland, which is available for Imperial Expenditure after the Local Expenditure of the three Divisions of the United Kingdom has been met, according to the figures shown in Parts I. and II. of this Return.

Year 1911-12.	England	Per cent.	Scotland	Per cent.	Ireland	Per cent.	TOTAL	Per cent.
	£		£		£		£	
Total Revenue as contributed	151,300,500	*83·76*	18,643,000	*10·32*	10,688,000	*5·92*	180,631,500	*100·00*
Local Expenditure ...	55,628,500	*73·71*	8,311,500	*11·01*	11,533,500	*15·28*	75,173,500	*100·00*
Revenue contributed in excess of Local Expenditure ...	95,672,000	...	10,331,500	...	...	...	Net balance available for Imperial Expenditure. 105,158,000	...
Local Expenditure in excess of Revenue contributed ...	...	...	...	...	*845,500*	...		

Note.

In this return the revenue from beer and tobacco has been apportioned in accordance with the detailed statistics collected for the Committee on Irish Finance. (*See* paragraph 48 of their Report, Cd. 6153.)

In other respects the return has been prepared on the basis heretofore adopted and does not embody other alterations suggested by the Committee in paragraphs 43 and 51 of the Report, which are in the nature of general adjustments in round figures.

INDEX

INDEX

PRINTED BY THE RAPID PRINTING CO., LTD., 60 MIDDLE ABBEY STREET, DUBLIN.